



School of Economics and Management

## **BUSN74, Business Administration: Auditing in Theory and Practice, 7.5 credits**

*Företagsekonomi: Revision i teori och praktik, 7,5 högskolepoäng*  
Second Cycle / Avancerad nivå

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### **Details of approval**

The syllabus was approved by Academic Director of Studies at Department of Business Administration on 2016-03-21 to be valid from 2016-03-21, autumn semester 2016.

### **General Information**

*Language of instruction:* English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

A1N, Second cycle, has only first-cycle course/s as entry requirements

### **Learning outcomes**

A passing grade on the course will be awarded to students who:

#### **Knowledge and understanding**

- Demonstrate an understanding of the theory and principles of auditing and the role of the auditor.
- Demonstrate an understanding of the audit process as a whole, and the specific concepts of risk, materiality, internal control, audit evidence and audit testing.
- Demonstrate an understanding of the nature of auditing as a professional practice and ethics of the profession.
- Demonstrate an understanding of the nature of the global accounting profession and the way it is organized.
- Demonstrate an understanding of the activities of the major international institutions/organizations involved in regulating auditors, in particular the International Federation of Accountants.
- Demonstrate an understanding of the global regulatory environment of auditing and its implications for the national regulation of auditors.

- Demonstrate knowledge of how and where information is to be found about auditing regulation and developments in the profession, including library databases, professional journals, the websites of standard setters and other relevant international organizations.

### **Competence and skills**

- Demonstrate an ability to comment on current issues and debates in the field of auditing in a knowledgeable way, both for persons with knowledge of the field and non-specialists.
- Demonstrate an ability to find current information concerning auditing regulation and developments in the profession and to understand and communicate it.
- Demonstrate and be able to apply this knowledge in the context of working in an audit firm.
- Demonstrate an ability to communicate their understanding of auditing, the role of the auditor and the regulation of auditing to both specialist accounting audiences and to non-specialist audiences.

### **Judgement and approach**

- Demonstrate insight into the potential and limitations of science, its role in society and people's responsibility for how it is used.
- Be able to apply theories and concepts concerning ethics to the ethical issues facing professional accountants.
- Demonstrate an ability to identify their need of further knowledge and to take responsibility for developing their knowledge.

### **Course content**

The objective of the course is to give students an active knowledge and understanding of the fundamental concepts of auditing, theories about auditing and its role in organizations and society, the nature and practices of the big audit firms, and the international regulation of auditing and its national consequences. They should obtain the skills to enable them to critically analyze current issues facing the international auditing profession. The course will prepare students for working in a professional audit firm and more generally for work connected with accounting, corporate reporting and auditing in industry, commerce or the public sector.

The contents of the course include:

- The activities of the auditor and of the accounting profession. The causes and nature of the 'audit expectations gap' between what is expected of the auditor and what they appear to achieve in practice.
- The role of the auditor in the governance of companies and other organizations (including theories about auditing).
- A study of the important practices/concepts of auditing: in particular auditor independence and competence, audit evidence, auditor materiality and risk, the audit of internal control and control risk, audit quality, audit reporting and the auditor and fraud; this will involve examining the International Federation of Accountants (IFAC)'s auditing standards and Code of Ethics.
- The effects of globalization on auditing and auditors, the rise of IFAC as an international standard setter, the nature of the international auditing profession.
- The effect of the financial crises of the last decade
- The ensuing decline of self-regulation by the profession of its members, and the rise of governmental regulation

- A consideration of the possibilities of convergence to one set of world auditing standards and ultimately of practices, the problems of small and medium enterprises and of emerging and developing economies.
- A gender perspective on auditing.

## Course design

Lectures and seminars will be held. Students are expected read the assigned course literature and participate actively during the course. The course will include guest lectures from members of the profession.

## Assessment

Assessment and grading are based on seminar participation, group assignment and an individual written examination.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## Grades

Marking scale: Fail, E, D, C, B, A.

**Grade** (Definition) Points or % out of maximum points. Characteristic.

**A** (Excellent) 85-100. A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**B** (Very good) 75-84. A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**C** (Good) 65-74. The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought and lives up to expectations.

**D** (Satisfactory) 55-64. The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**E** (Sufficient) 50-54. The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

**F** (U) (Fail) 0-49. The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Some occasional examination elements of the course may have the grading scale pass (D) / fail U(F).

If a written exam is included in the examination: A student who is graded Fail after two examinations on the written exam has the opportunity to request an additional task. The grade of this additional task is U or E and should be made no later than the semester following the semester when the student was registered at the course.

*Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.*

## **Entry requirements**

Students admitted to a Master Programme where this course is either a compulsory or elective part, are qualified for the course. For other students, at least 60 UCP or ECTS in Business Administration is required. These must include a course in basic Business Administration e.g. FEKA90 Business Administration: Introductory course in Business Administration, or the equivalent.

## **Further information**

The course BUSN74 Auditing in Theory and Practice cannot be combined with the courses BUSN65, BUSM40 or FEKM43 and FEK552 in a degree.

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in BUSN74, Business Administration: Auditing in Theory and Practice

Applies from H16

1601 Examination, 7,5 hp  
Grading scale: Fail, E, D, C, B, A