

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2021 Spring (March 1, 2021 – June 25, 2021)
<u>Course Name</u>	Audit and Assurance
<u>Course Code</u>	FA203
<u>Course Type</u>	Professional Course (Required)
<u>Course Credits</u>	4
<u>Course Hours</u>	64
<u>Prerequisites</u>	FA101
<u>Instructor</u>	Yuanyuan Lyu
<u>Contact Information</u>	Office: C203 Tele: (010)83951085 Email: lvyuanyuan@cueb.edu.cn
<u>Office Hour</u>	Mon. 13:30-15:30; Wed. 9:00-10:00; Thu. 8:00-9:00 & 10:00-12:00
<u>Learning Centre</u>	Tue.8:00-10:00 &18:00-20:00
<u>Grade/Section</u>	2019BA/Y01/Y02
<u>Course Time/Place</u>	Y01: Mon. 10:10—12:00 & Fri. 13:30—15:20 / 博学 109 Y02: Wed. & Fri. 10:10—12:00 / 博学 111

Text Book

Alvin A. Arens, Randal J. Elder, Mark S. Beasley. *Auditing and Assurance Services, An Integrated Approach*, 15th Edition. China Renmin University Press, Beijing, ISBN 978-7-300-24326-9.

Reference Book

O. R. Whittington, K. Pany. *Principles of Auditing and other Assurance Services, 19th Edition*. China Renmin University Press, Beijing, ISBN 978-7-300-22007-9..

Course Description

This course uses an integrated approach to give a brief introduction of the knowledge and understanding of the process of carrying out the assurance engagement and its application in the context of the professional regulatory framework.

Student Learning Objectives

After completing this course, students will be able to:

- ♦ possess good knowledge of audit and financial reporting;
- ♦ explain key ideas, techniques or approaches;
- ♦ Understand the auditing process;
- ♦ Apply sampling methods to do the test of control and substantive tests;
- ♦ complete the auditing process and produce audit report.

Website Source

1. <https://www.principlesofaccounting.com>
2. <https://www.accaglobal.com>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

Component	Weight	Description
Final Exam	20%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems, and preparation of financial statements. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	20%	A cumulative midterm test will be given based on all of the contents that have been taught in class. The test paper may be mainly composed of multiple-choice questions and it should be completed within 15 minutes in class.
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures. Each group need to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%

Homework	5%	10%
Quizzes	5%	10%
Presentation		10%
Midterm test	20%	
Final exam		20%
Total	40%	60%

Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0- 59

Exam Schedule

Midterm Test: Apr.20-24, 2020;

Final Exam: Jun.15-19, 2020

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ♦ Being late for 15 minutes or more is considered an absence.
- ♦ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D +). Any excused absence must be discussed directly with the teacher.
- ♦ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly.
but students are welcome to continue attending classes.
- ♦ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ♦ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ♦ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.

- ♦ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ♦ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ♦ All above behaviors will be solely evaluated by the instructor for scoring.

☞ Textbook

Students must bring the textbook to class.

Topical Course Outline

Week	Date/ Hours	Topics	Homework
1	2 hours	Introduction to the course	——
Part 1 The auditing profession			
Lesson 1&2 describe assurance services, including auditing and the role of certified public accounting (CPA) firms and other organizations in performing audits.			
1	2 hours	Lesson 1 Introduction to audit and assurance 1.1 Distinction between auditing and accounting 1.2 Assurance services 1.3 Concept and types of audits 1.4 Types of auditors 1.5 Informatization of audit (supplementary) * Audit case	——
2	2 hours	Lesson 2 The CPA profession 2.1 Certified public accountant 2.2 Certified public accounting firms 2.3 Institutes of public accounting 2.4 Professional standards system 2.5 Quality control in CPA firms * Audit case	
Lesson 3&4 emphasize the regulation and control of CPA firms through ethical standards and the legal responsibilities of auditors.			
2	2 hours	Lesson 3 Professional ethics 3.1 What are ethics 3.2 Ethical dilemmas 3.3 Special need for ethical conduct 3.4 Code of Professional Conduct 3.5 Threats to independence and safeguards to independence * Audit case	
3	2 hours	Lesson 4 Legal liability 4.1 Business failure, audit failure, and audit risk 4.2 Liability to clients 4.3 Liability to third parties * Audit case	
3	2 hours	● Quiz 1 (5 points, lesson 1-4))	
Part 2 The audit process			

Lesson 5-8 deal with auditors' and managements' responsibilities, audit objectives, and general audit evidence concepts.			
4	2 hours	Lesson 5 Audit responsibilities 5.1 Objective of conduction an audit 5.2 Management's responsibility 5.3 Auditor's responsibility	_____
	2 hours	Lesson 6 Audit objectives 6.1 Setting auditing objectives 6.2 The audit process * Audit case	_____
5	2 hours	Lesson 7 Audit evidence – persuasiveness and types 7.1 Persuasiveness of evidence 7.2 Types of audit evidence	_____
	2 hours	Lesson 8 Audit evidence decisions and audit documentation 8.1 Audit evidence decisions 8.2 Audit documentation * Audit case	_____
6	2 hours	● Quiz 2 (5 points, lesson 5-8)	_____
Lesson 9-17 study various aspect of audit planning in depth, including risk assessment and auditors' responsibility for detecting fraud.			
6	2 hours	Lesson 9 Audit planning 9.1 Accept client and perform initial audit planning 9.2 Understand the client's business and industry 9.3 Assess client business risk * Audit case	_____
7	2 hours	Lesson 10 Analytical procedures 10.1 Perform preliminary analytical procedures 10.2 Five types of analytical procedures 10.3 Financial ratios	_____
7	2 hours	Spring Sports	
8	2 hours	Lesson 11 Materiality 11.1 Introduction to materiality 11.2 Materiality for the financial statements as a whole 11.3 Performance materiality	
	2 hours	Lesson 12 Risk 12.1 Audit risk model for planning 12.2 Risk assessment	_____
9	2 hours	Lesson 13 Risk 13.1 Relationship of risks to evidence and factors influencing risks	_____
9		● Midterm Test – part 2 (Case analysis)	
10		● Midterm Test – part 1 (5 points, lesson 9-13)	
10	2 hours	Lesson 14 Internal control 14.1 Internal control & its objectives 14.2 Management and audit responsibilities for internal control 14.3 COSO components of internal control	_____
11	2 hours	Lesson 15 Control risk Process for understanding internal control and assessing control risk	_____

		15.1 Phase 1 Obtain and document understanding of internal control design and operation 15.2 Phase 2 Assess control risk 15.3 Phase 3 Design, perform and evaluate tests of controls 15.4 Phase 4 Decide planned detection risk and substantive tests	
11	2 hours	Lesson 16 Fraud auditing – 1 16.1 Types of fraud 16.2 Conditions for fraud 16.3 1- Assessing the risk of fraud 16.4 2- Corporate governance oversight to reduce fraud risks	—
12	2 hours	Lesson 17 Fraud auditing – 2 17.1 3- Responding to the risk of fraud 17.2 Specific fraud risk areas 17.3 Responsibilities when fraud is suspected	—
12	2 hours	● Quiz 3 (5 points, lesson 14-17)	—
Lesson 18-19 summarizes and integrates audit planning and audit evidence			
13	2 hours	Lesson 18 Overall audit strategy and audit program – 1 18.1 Types of tests 18.2 Selecting which types of tests to perform 18.3 Impact of information technology on audit testing 18.4 Evidence mix	—
	2 hours	Lesson 19 Overall audit strategy and audit program – 2 19.1 Design of the audit program 19.2 Summary of key evidence-related terms 19.3 Summary of the audit process	—
14	2 hours	Lesson 20 Audit reports	—
14	2 hours	Lesson 21 Audit reports	—
15	2 hours	Presentation	—
16	2 hours	Review	—

Note: Some chapters or sections may leave for self-study, this is the students' duty to learn and understand, they may also be included in the quizzes or exams.

In the first three weeks, Xuexitong and the Wechat group will be used as the main teaching methods. The Wechat group will mainly be used to inform the students daily study activities and tasks. Xuexitong will be used as the main study platform to organize the study activities. When classed change back to school, Xutxitong will be mainly used to upload PPT and release some leaning materials and quizzes.

Teacher's Office Hour

- ◆ The instructor's office hour is shown in the front of the office door.
- ◆ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.
- ◆ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified

(usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

Spring Semester, 2021	Feb 28, 2021— July 18, 2021
Feb. 28	Registration
Mar. 1	Classes Begin
Apr.4	Qing Ming Festival
Apr.16	Spring Sports
Apr.26 -30	Midterm Test (tentative)
May 1	Labor Day
June 14	Dragon-Boat Festival
June 21-25	Final Exams for Sophomores and Juniors
June 28-July18	Social Practice for Sophomores and Juniors (tentative)
July 3-11	Revision (Freshmen)
July 12-16	Final Exam Period (Freshmen)
July 19	Summer Vacation Begins

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.

