COURSE DESCRIPTION

The course is essential to your major in Accounting. You cannot become a CPA without audit experience. The course covers an introduction to the principles and concepts of the audit, which is one of the services offered by the accounting profession. Primary emphasis is placed on;

- The auditing standards accountants are required to abide by when auditing financial statements
- The role of the CPA/auditor in gathering audit evidence
- Analytical review procedures and reporting
- The CPA/auditor's ethical and legal responsibilities
- The role of the Securities and Exchange Commission and other agencies.

Audit topics covered in this class also include sampling, internal control issues, audit programs, and reporting.

The course will generally consist of both lectures and discussions regarding auditing concepts. I will be giving “real-life” examples relating to many concepts and will ask questions of the class for their thoughts on a subject. This experience will assist you in understanding the subject matter so when you intern and/or work full time for a public accounting firm you will understand what your superiors are asking you to do. Homework will be assigned related to each chapter and will count toward your overall grade. The homework should be done diligently or you will not learn the material to your utmost capability.

COURSE MATERIALS

Textbook: Whittington and Pany, Principles of Auditing and Other Assurance Services, 19th edition (loose-leaf edition available with McGraw Hill CONNECT) (ISBN # 978-007772210-4 or 007-772210-8) You MUST also purchase CONNECT (as a package with the text or separately)

All students will need to register in CONNECT at the designated section specific URL code for Evan Wasserman. Please note the following URL code for the specific section of the course in which you are registered:


Please use the registration information for purposes of registering with McGraw Hill and gaining access to course material and homework.

Acquiring Textbook and McGraw Hill CONNECT On-Line System:
Both the Rutgers bookstore and New Jersey Books should be offering a discounted package. CONNECT is McGraw Hill’s on-line assignment and assessment software which you will need in order to complete the homework assignments. The package should allow you to have access to the homework and an e-book for 180 days. If you’ve used CONNECT in the past or concurrently, use that same e-mail. If you’ve already purchased the above package, use the CONNECT plus registration code to register for the course in the appropriate section and complete the registration process. If you haven’t purchased the book yet, you can register for the “start free trial option”. This will provide you access to the e-book and the CONNECT assignments for 14 days, at the end of which you’ll need to input the code if you buy the package. Or if you’re comfortable with just an e-book and no print book select “CONNECT plus.” If you obtain the 19th edition elsewhere you can purchase “CONNECT” (no e-book at this site). If you encounter any problems registering for CONNECT you’ll need to contact McGraw-Hill’s Customer Experience group at 1-800-331-5094.

Check Blackboard (blackboard.rutgers.edu) and your official Rutgers email account regularly for ANNOUNCEMENTS and posting of COURSE DOCUMENTS (This will include slides related to the lectures)

If I decide to use clickers – I will make an ANNOUNCEMENT using Blackboard.

LEARNING GOALS AND OBJECTIVES

By the end of the course, a student who studied diligently should be ready to pass the auditing section of the CPA exam with minimal additional review. Addressing the Critical Thinking Learning Skills Goal and the Ethics Learning Goal of the Rutgers Business School, a student should be able to:

Understand the meaning of independence
Formulate an audit plan
Understand internal control
Identify and assess the risks of material misstatement
Identify relevant assertions related to an audit of financial statements
Know how to perform a test of controls
Know key substantive tests related to key areas of a financial statement
Know which audit report is relevant in various situations

In order to accomplish these learning goals, students are expected to complete the assigned reading and homework questions and problems, as well as study diligently for exams. Lectures only cover highlights of the chapters. The chapters in the text contain more details and examples and any information from the chapters could be included on the midterm and final exam. The combination of the lectures, class discussion, the information in the text, as well as completion of homework are essential to obtaining a full understanding of auditing concepts. The illustrative audit case, Keystone Computers and Networks, Inc. has been incorporated in selected homework assignments and/or class discussions.

All homework questions will be noted in CONNECT---this will include questions that are computer graded as well as designated questions from the back of the chapter that will be manually graded.

Deadlines are important. NO credit will be granted for late work.
Auditing is about making judgments. Auditing is about brainstorming and discussing issues with your colleagues. Accordingly, there will be group discussions as part of every class. You will be required to familiarize yourself with certain questions in the text (which will be assigned before a certain class) that will enable you to participate in certain group discussions. As discussed below, class participation is a percentage of your overall grade. As part of my lecture, I will also be asking questions of the class. My objective is not only to teach auditing, but to have my students discuss auditing concepts.

**PREQUISITES**

You must have completed Intermediate Accounting to take this class. In order to audit, you have to understand accounting concepts. The more accounting experience a student has, the more apt the student will understand auditing concepts.

**ACADEMIC INTEGRITY**

*I do NOT tolerate cheating.* Students are responsible for understanding the RU Academic Integrity Policy ([http://academicintegrity.rutgers.edu/files/documents/AI_Policy_2013.pdf](http://academicintegrity.rutgers.edu/files/documents/AI_Policy_2013.pdf)). I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must abide by the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” Don’t let cheating destroy your hard-earned opportunity to learn. See [business.rutgers.edu/ai](http://business.rutgers.edu/ai) for more details.

**ATTENDANCE AND PREPARATION POLICY**

I expect you to attend all classes. If you are to be absent, report your absence in advance at [https://sims.rutgers.edu/ssra/](https://sims.rutgers.edu/ssra/). If your absence is due to religious observance, a Rutgers-approved activity, illness, or family emergency/death, please send me an email with full details and supporting documentation within 3 days of your absence.

For weather emergencies, consult the campus home page. If the campus is open, class will be held.

I start classes on time so I expect you to arrive on time for each class session. If you are going to be tardy, then e-mail the reason for the tardiness.

I also expect you to remain for the entirety of each class session. If you are going to leave early, then please e-mail me in advance of the class.

As discussed above I expect you to complete all required reading and assignments. You cannot learn if you are not prepared. The **minimum** expectation is that for each 3-hours of class session, you have prepared by studying for at least twice as many hours.

I expect you to stay focused and involved in class discussions. You cannot learn if you are not paying attention.

**EXAM DATES AND POLICIES**
There are TWO exams in this course:

Midterm Exam: Week 8 (Covers Chapters 1,2,3,4,5,6,7,8,17)
Final Exam: Based on Dates in Final Exam Schedule. [The Final Exam will include a majority of the chapters, of which you will be informed during class sessions]

There will be no make ups for missed exams. If you have a qualifying excuse, your grade will be determined by the average of the portions of the course work completed. If you do not have a qualifying excuse, you will receive a zero for any missed assignments or tests.

During exams, the following rules apply:

If you have a disability that influences testing procedures, provide me an official letter from the Office of Disability Services at the start of the semester.
No cell phones or other electronics are allowed in the testing room.
You must show a valid Rutgers photo ID to enter the room and to turn in the exam.
If possible, alternate seating; do not sit next to another student or in your usual seat.
Use the restroom prior to the exam start
The honor pledge should be followed and if your exam has a place where you sign the pledge, your exam will not be accepted unless you sign the Honor Pledge.

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**GRADING POLICY**

Course grades are determined as follows:

<table>
<thead>
<tr>
<th>Grade percentage allocation</th>
<th>Percent</th>
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<tbody>
<tr>
<td>Midterm</td>
<td>27.5</td>
</tr>
<tr>
<td>Final Exam</td>
<td>37.5</td>
</tr>
<tr>
<td>Homework</td>
<td>20.0</td>
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<tr>
<td>Quizzes and/or Short paper</td>
<td>10.0</td>
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<tr>
<td>Attendance/Class Participation</td>
<td>5.0</td>
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<tr>
<td>Total</td>
<td>100.0</td>
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I do not anticipate giving extra credit assignments.

- Grade distribution: The **anticipated** grade distribution is:
  - A  90 to 100
  - B+ 85 to 89
  - B  80 to 84
  - C+ 75 to 79
  - C  70 to 74
  - D  60 to 69
  - F  below 60

Grade posting: Midterm grades will be posted in Blackboard. Final grades will be posted in REGIS.

Warning grades will be either be posted in REGIS or by email.
Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all due supporting documentation. If I have made an error, I will gladly correct it. But I will adjust grades only if I have made an error.

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**COURSE SCHEDULE**

<table>
<thead>
<tr>
<th>Week</th>
<th>Chapter 1: Role of Public Accountant in the American Economy</th>
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<tbody>
<tr>
<td>Week 1</td>
<td>Chapter 2: Professional Standards</td>
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<tr>
<td>Week 2</td>
<td>Chapter 17: Auditors’ Reports</td>
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<td>Week 3</td>
<td>Chapter 3: Professional Ethics</td>
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<td>Week 3</td>
<td>Chapter 4: Legal Liability of CPAs</td>
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<td>Week 4</td>
<td>Chapter 5: Audit Evidence and Documentation</td>
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<td>Week 5</td>
<td>Chapter 6: Audit Planning, Understanding the Client, Assessing Risks and Responsibilities</td>
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<td>Week 6</td>
<td>Chapter 7: Internal Control</td>
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<td>Week 7</td>
<td>Chapter 8: Internal Control: Computer Environment</td>
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<td>Week 7</td>
<td>Chapter 18: Integrated Audits of Public Companies</td>
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<tr>
<td>Week 8</td>
<td>Midterm</td>
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<td>Week 8</td>
<td>Chapter 9: Audit Sampling</td>
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<tr>
<td>Week 9</td>
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<td>Week 9</td>
<td>Chapter 10: Cash and Financial Instruments</td>
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<td>Week 10</td>
<td>Chapter 11: Accounts and Notes Receivable &amp; Revenue</td>
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<td>Week 11</td>
<td>Chapter 12: Inventories and Cost of Goods Sold</td>
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<tr>
<td>Week 12</td>
<td>Chapter 13: Property Plant and Equipment</td>
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<tr>
<td>Week 12</td>
<td>Chapter 14: Accounts Payable and Other Liabilities.</td>
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</tbody>
</table>
Week 13          Chapter 15: Debt and Equity
Week 13          Chapter 16: Auditing Operations & Completing the Audit
Week 14          Chapters 19 & 20: Additional Assurance Services: Historical & Other
Week 15          Overall Review
TBA              Final Exam

Note: Certain items in this syllabus is subject to change during the semester