

**University of California, Berkeley**  
**Haas School of Business**  
**UGBA 127-3, Professional Judgment in Accounting**  
**Summer 2012**

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**Instructor:** Tiffany Rasmussen, Partner, KPMG LLP  
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**Units:** 3 units

**Prerequisites:** Preferable to have UGBA 126, Auditing completed or in progress. Must have Intermediate and Advanced Accounting. If in Advanced Accounting in the first UC Berkeley Summer session, which overlaps, this will be acceptable.

**Course requirements:** Six homework assignments, graded discussion postings, one midterm and a final examination.

**Grading:** Homework assignments (simulated audit work) 30%, discussion postings 10%, midterm 20%, final 40%.

**Text:** None. Readings to be provided by topic.

**Participation in this course will provide an opportunity to partially master the following competencies:**

1. Understand how complex accounting estimates and judgments are identified and audited.
2. Apply techniques commonly used in the auditing profession.
3. Perform analytical procedures and inquiries related to complex accounting estimates and judgments.
4. Document conclusions reached and review and comment on the conclusions of peers.
5. Form conclusions on the adequacy and appropriateness of financial statement disclosures related to complex accounting estimates and judgments.
6. Develop written and oral presentations discussing (as with an Audit Committee) complex accounting estimates and judgments.

**Course Flow:** The course will review auditing principles and then provide a simulated audit experience over the complex areas of estimates and judgments.

**WEEK 1.** Overview of Auditing Basics

- Assertions
- Risk assessments
- Internal Control Procedures
- Tests of Details
- Analytical Procedures
- Use of Specialists

**WEEK 2.** Lessons learned from accounting manipulations and audit failures.

**WEEK 3.** Overview of course structure: Simulated Audit

- Professional skepticism and ethics
- Audit inquiries
- Audit documentation

- Self review and review by peers (to learn reviewing techniques)

**WEEK 4.** Auditing Loan loss allowances

**WEEK 5.** Auditing Fair value of goodwill and intangibles

**WEEK 6.** Auditing Fair value of investments

**WEEK 7.** Auditing Taxes

**WEEK 8.** Auditing Revenue recognition, including evaluation of consolidation using control and variable interest entity literature

**Online course specifics:**

This completely online 3 unit course will consist of 5 hours of web instruction per week.

The course will use multiple modes of instruction facilitated by the online learning management system being used:

- Video for introductions and demonstrations
- Narrated PowerPoint presentations with slide-by-slide navigation will be the primary mode of instruction

The other modes to a lesser degree will be:

- Readings of relevant issues in auditing and accounting
- Example audit workpapers
- The online learning management system's assessment tool for quizzes
- Asynchronous communication: Discussion boards
- Synchronous communication: Chat rooms, whiteboards, Skype

Lectures will be uploaded online at the beginning of the course and released 2 weeks ahead of schedule and accessible after they are released for the duration of the course. Web-based discussion sections will be scheduled live, and led by the instructor for 2 hours per week. GSIs will also be available in real time to answer questions and clarify class materials if needed. Discussion sections will be also used to go over homework assignments, led by the GSIs. Questions may be posted before and after the scheduled discussion sections to facilitate asynchronous consultation. GSIs will forward questions to instructors where appropriate. All discussion sections will be archived and retrievable by students for the duration of the course.

Interactive class discussion (synchronous) will be facilitated in the equivalent "chat rooms" moderated by the faculty instructor at specified times during the week, in 2 hour blocks so that students who wish to simulate a classroom experience on line may be able to do so. These will also be archived and available to students.

The faculty instructor will have real time (synchronous) office hours for one on one discussion with students online, webcam enabled if desired (Skype) or in person at Haas. These sessions will be by prearranged self booked appointments.

Asynchronous discussion with the faculty instructor will be available with a discussion board. The topics will be determined by the faculty instructor and synchronized with the lectures of the week. Students will also be able to post questions directly with the faculty instructor. Responses will be viewable by the class.

A student only discussion board is available to students who wish to use it for peer to peer communication and group work.

Audits today are performed online, with remote team members, supervision and review and use of various technologies, so participation in this course truly simulates the realities of doing business in the world of accounting and auditing today.

The online version of this course has been designed specifically to meet the needs of students pursuing CPA licenses.