

**BA in Management Program**  
**Fall 2020**  
**ACC403 – Auditing**

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**Web:** SuCourse plus  
**Office Hours:** Friday 9:45 am - 12:45 pm

Type	Time	Days	Where
Class	10:40 am - 12:30 pm	Thursday	
Class	8:40 am - 9:30 am	Friday	

**Course Objective:**

The objective of this course is to provide students with an introduction to the practice of auditing of companies' financial statements. The course will cover the underlying concepts and techniques of auditing and the responsibilities of auditors. The focus of the course is the auditing of large companies, although much of the material is applicable to other types of entities – such as public sector organizations and small businesses.

**Learning Outcomes:**

Upon successful completion of the course, the student should be able to:

1. Explain audit terminology
2. Explain the audit planning process
3. Explain the auditor's main responsibilities and objectives
4. Describe and explain the basic audit risks
5. Explain the importance of the client's internal control mechanism for audit work
6. Use non-statistical audit sampling techniques
7. Explain the circumstances for issuing the different types of audit reports
8. Explain the process of completing the audit

**Course Material:**

Auditing and Assurance Services - Global Edition, 16th edition,  
by, Alvin Arens, Mark Beasley, Randal Elder and Chris Hogan  
MyLab access code with e-text  
ISBN 9781292147901  
Pearson

The textbook with access code for *MyAccountingLab* can be bought here:  
<https://www.homerbooks.com/urun/auditing-and-assurance-services-myaccountinglab>  
or at the bookstore on campus.

### **Course Web:**

SuCourse will be used as the course's web site. Course slides, syllabus, and other material will be posted on this web site.

### **Instructional Design:**

Lectures will be recorded and posted online. Students are encouraged to read the chapter prior to viewing the lecture. There will be a discussion session each week to discuss the lecture and any other course-related matters. This discussion will be done online using Zoom. More details will be provided during the semester.

The course content is cumulative. If a student fails to learn any piece of the material in the earlier chapters, then learning subsequent material will be more difficult. Students are expected to keep up to date with the material. I recommend studying the material for each class in the following manner:

- Read the textbook – each week. Ask me if you are unsure about something.
- Each week do the “Try it”, “Summary problems” and “Quick check” questions from the text without using the notes or the textbook. Review your answers with those supplied in the textbook and ask me if you are unsure about something.
- Each week, review what was covered in class and do the homework assignments on your own.
- Visit this website: <https://www.iaasb.org/publications/2018-handbook-international-quality-control-auditing-review-other-assurance-and-related-services-26> and download the three volumes. Spend some time over the semester becoming familiar with their contents. You are not required to memorize definitions or to know the auditing standard numbers. These handbooks are useful for background. Sometimes sections from these handbooks are included in the powerpoint slides. You can then go back to the documents for more information for example.
- A booklet is available at this link, that describes the auditing regulatory situation in Turkey:  
[https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Diger/KGK\\_Tanitim\\_Kitapcigi\\_Ingilizce\\_2017.pdf](https://www.kgk.gov.tr/Portalv2Uploads/files/Duyurular/v2/Diger/KGK_Tanitim_Kitapcigi_Ingilizce_2017.pdf)

### **Grading:**

The percentages allocated to each piece of assessment are as follows:

Attendance	: 15%
Quizzes	: 32%
Homework	: 18%
Final exam	: 35%
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Total	: 100%

## Requirements:

Attendance will be taken through *Zoom*. Each week on Friday at the scheduled lecture time, there will be a discussion session covering that week's lecture material. For the weeks when quizzes are held, the discussion session will be for 2 hours and it will be held on Thursday at the scheduled lecture time. Each attendance at a discussion session will be awarded 1.5%, up to a maximum of 15%. If a student attends ten or more discussion sessions, the student's score for attendance will be 15%. Students need to attend the whole session to get the attendance points. Points are not given for attending part of the session.

Quizzes can only be done using *MyAccountingLab*. There are 2 quizzes: one in week 5 and the other in week 11 - see the **Course Schedule** below. Quizzes will be held on Friday during the scheduled lecture time. Each quiz counts for 16% of your total course grade. Quiz duration is 50 minutes. If a student does not do a quiz, then the student will get a score of zero; - unless the reason for not doing the quiz is acceptable and appropriate documentation is provided to me within one week of the quiz date. In this latter case, the points for that quiz will be allocated to the final exam. Quizzes must be done alone, without communicating with anyone else and without using additional aids, – except for a non-text-storage calculator.

Homework assignments can only be done using *MyAccountingLab*. There is one week to complete each Homework assignment. Homework lodged late scores zero. There are 11 Homework assignments. Each homework assignment counts for 2% of your total course grade, so your best 9 assignment scores will be used to measure your homework score (total of 18% allocated to Homework assignments).

Final exam will be held during the final exam period. It will cover the whole course, although more weight will be given to the topics not covered in the quizzes. The final exam can only be done using *MyAccountingLab*. The final exam duration is 120 minutes. The final exam must be done alone, without communicating with anyone else and without using additional aids, – except for a non-text-storage calculator.

## Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

**Classroom policies and conduct**

Sabancı BA in Management Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that we all:

- Come prepared to make helpful comments and ask questions that facilitate your own understanding and that of your classmates. This requires that you complete the assigned readings for each session before class starts.
- Listen to the person who has the floor.
- Come to class on time.
- DO NOT use laptops in class.

## Course Schedule:

<b>Week 1</b>	<b>Date:</b>	<b>5 October - 9 October</b>
	Topic:	Demand for Assurance Services - Chapter 1 <i>and</i> Audit Reports - Chapter 3*
	Requirements:	Join the Zoom discussion about this week's topic and course administration matters
<b>Week 2</b>	<b>Date:</b>	<b>12 October - 16 October</b>
	Topic:	Responsibilities and Objectives – Chapter 6
	Requirements:	Join the Zoom discussion about this week's topic
<b>Week 3</b>	<b>Date:</b>	<b>19 October - 23 October</b>
	Topic:	Audit Evidence – Chapter 7
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 1 and HW2 on MyLab
<b>Week 4</b>	<b>Date:</b>	<b>26 October - 30 October</b>
	Topic:	University Holiday
	Requirements:	Submit HW 3 on MyLab
<b>Week 5</b>	<b>Date:</b>	<b>2 November - 6 November</b>
	Topic:	Review of topics covered in weeks 1 through 3
	Requirements:	Join the Zoom discussion about this week's topic; Do Quiz 1
<b>Week 6</b>	<b>Date:</b>	<b>9 November - 13 November</b>
	Topic:	Audit Planning and Materiality - Chapter 8
	Requirements:	Join the Zoom discussion about this week's topic
<b>Week 7</b>	<b>Date:</b>	<b>16 November - 20 November</b>
	Topic:	Material misstatement – Chapter 9
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 4 on MyLab
<b>Week 8</b>	<b>Date:</b>	<b>23 November - 27 November</b>
	Topic:	Fraud – Chapter 10
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 5 on MyLab
<b>Week 9</b>	<b>Date:</b>	<b>30 November - 4 December</b>
	Topic:	Internal Control – Chapter 11 and Control risk – Chapter 12
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 6 on MyLab
<b>Week 10</b>	<b>Date:</b>	<b>7 December - 11 December</b>
	Topic:	Audit strategy and Audit program - Chapter 13
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 7 on MyLab;
<b>Week 11</b>	<b>Date:</b>	<b>14 December - 18 December</b>
	Topic:	Review of topics covered in weeks 6 through 10
	Requirements:	Join the Zoom discussion about this week's topic; Submit HW 8; Do Quiz 2

<b>Week 12</b>	<b>Date:</b> <b>21 December - 25 December</b>
	<b>Topic:</b> Audit sampling for tests of controls and substantive tests of transactions - Chapter 15 <i>and</i> Audit sampling for tests of details of balances - Chapter 17
	<b>Requirements:</b> Join the Zoom discussion about this week's topic
<b>Week 13</b>	<b>Date:</b> <b>28 December – 1 January</b>
	<b>Topic:</b> Audit of the sales and collection cycle: tests of controls and substantive tests of transactions - Chapter 14 <i>and</i> Accounts receivable: tests of details of balances - Chapter 16
	<b>Requirements:</b> Join the Zoom discussion about this week's topic; Submit HW 9 on MyLab
<b>Week 14</b>	<b>Date:</b> <b>4 January – 8 January</b>
	<b>Topic:</b> Completing the audit - Chapter 24 <i>and</i> Audit Reports - Chapter 3*
	<b>Requirements:</b> Join the Zoom discussion about this week's topic; Submit HW 10 on MyLab
<b>Week 15</b>	<b>Date:</b> <b>11 January – 15 January</b>
	<b>Topic:</b> -
	<b>Requirements:</b> Submit HW 11 on MyLab

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\* The Audit Reports topic is covered in week 1 and week 14