

# Accounting 484: Environmental Accounting

## Syllabus & Schedule- Spring Quarter 2007

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### Course Description

This course will be a seminar-style, senior-level elective that will help students to expand their awareness of the profession's responsibility toward environmental problems and the broader issues of sustainability. The interest in environmental accounting issues has grown rapidly in recent years, and the issues impact the various specializations within the field of accounting, including financial reporting, analysis and disclosure, cost management and managerial decision making, capital investment analysis, auditing, and taxation. We will approach the subject using a framework that categorizes issues into the conventional model of accounting and an expanded model of accounting. The expanded model allows for a creative approach to problem solving on environmental issues outside of the traditional boundaries of accounting. Opportunities will exist for students to develop skills necessary for creative problem solving. Please note that there is a plethora of information available on the environment and sustainability. For this reason, it is impossible for anyone (including your instructor) to know everything that is developing on this subject. The instructor welcomes information that the students bring to class. We can all learn from each other!

This is a communications focused course and will involve a number of activities throughout the quarter that are designed to strengthen your communication skills.

### Prerequisites

Accounting 343, 331, 375. Two of these three classes may be taken concurrently with Accounting 484.

### Course Materials

The following course materials are required:

- *Contemporary Environmental Accounting*, Schaltegger and Burritt (S&B)
- Two cases (BELL): Multipaint, Inc.; and Specialty Glass
- Online resources posted to Blackboard (BB)

### Blackboard Use

Many of the assignments, handouts and other course materials will be posted to Blackboard. You will need to use Blackboard on a regular basis. All students registered for this course have access to Blackboard through their My Western account. Please see me ASAP if you don't know how to access this account.

### Course Objectives, Learning Outcomes and Learning Opportunities

Objectives	Specific Learning Outcomes	Methods of Assessment
1. Understand environmental issues under the conventional model of accounting.	a. Develop a fundamental knowledge of laws, regulations and market instruments for handling environmental issues	Discussion of readings, projects
	b. Understand how environmental issues affect the various sub-disciplines of	Discussion of readings, cases, projects

	accounting	
2. Understand environmental issues under the expanded model of accounting.	a. Evaluate the role of accounting in society regarding the environment	Discussion of readings, short writing assignments
	b. Develop moral thought processes (ethics) about environmental issues	Discussion of readings and cases
	c. Understand the concepts of accountability and transparency	Discussion of readings
	d. Understand sustainability and the implications for accounting	Discussion of readings, cases, projects
	e. Develop an appreciation of the needs of various stakeholder groups	Discussion of readings, projects
	f. Examine alternative reporting formats	Discussion of readings, projects
3. Ability to critically evaluate businesses' approaches to environmental accounting, both nationally and globally	a. Understand and evaluate specific company approaches to environmental accounting	Discussion of readings, cases, projects
	b. Make recommendations for improvements to company approaches under the expanded model	Discussion of readings, projects
4. Understand trends and potential future directions for environmental accounting, both nationally and globally	a. Develop a working knowledge of national and global trends	Discussion of readings
	b. Ability to critically evaluate the accounting profession's role in environmental matters	Discussion of readings, short writing activities, final exam

## Point Distribution\*

Points will be distributed as follows:

Class Participation	50
Short writing activities	60
Case write-up	40

Environmental audit project	50
PG&E project	25
Reporting project	50
Final Exam	<u>75</u>
	350

Each component of your grade is briefly explained below. More information will be given in class as the quarter progresses.

- **Class participation** is an integral part of this class. Students should be prepared to participate in all discussions of reading assignments, cases and other class activities. This is a good opportunity for students to develop communication skills essential for success in the profession. (If you are too quiet, I may call on you!) In most classes, I will lead the discussion. Class participation scores will depend on your **level of contribution to class discussion**, roughly as follows: *Outstanding* (90%-100%)—student is regularly very well prepared and makes a major contribution to class discussion on a regular basis; *Good* (80%-89%)—student is prepared, contributes to class discussion often, and may have missed one or two classes; *Adequate* (70%-79%)—student appears prepared occasionally, participates once in a while, and may have missed less than five classes; *Inadequate* (0%-69%)—student is rarely prepared, does not contribute to class discussion, and/or has missed five or more classes.
- There will be three **short writing activities** for this class. Dates are listed in the schedule below. Instructions for these are listed on Blackboard.
- One written **case analysis** (as well as several other in-class cases) are required for this class. Students will be asked to complete answers to questions in writing and to be prepared to discuss the case in class. More information about the cases will be distributed on Blackboard prior to the due date.
- Three **projects** will be assigned in the course covering a variety of activities including an analysis of financial reporting requirements, an environmental audit of your household, and a reporting project. Further information will be available in class or on Blackboard.
- There will be a **final exam**. The format is essay and will include questions about legal, regulatory, ethical, and global issues related to environmental accounting. More information will be distributed toward the end of the quarter.
- Group work will be required for some of the course activities. It is important for each member of a group to contribute to the activity.

\*Please note: The schedule may have some minor modifications to the above point distribution and description. However, this captures the types of activities that we will be doing in class!

## Schedule

Week	TOPIC	READINGS	ASSIGNMENTS and ACTIVITIES
1	Introduction		<ul style="list-style-type: none"> <li>• View excerpt from Interface, Inc. CEO speech</li> <li>• Environmental Audit Project--Introduction</li> </ul>
2	Accounting for the Environment	<ul style="list-style-type: none"> <li>• S&amp;B Chapters 1&amp;2</li> <li>• The history of a cup of coffee (BB)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>DUE:</b> Short Writing Activity (SWA) #1</li> </ul>

	Sustainability EA Framework	<ul style="list-style-type: none"> <li>S&amp;B Chs 3&amp;4</li> </ul>	DUE: Environmental Audit Project—Part 1  Pick groups/topic for SWA #2
3	Conventional Accounting Model	<ul style="list-style-type: none"> <li>S&amp;B Ch 5</li> <li>Economic man, cleaner planet...(BB)</li> <li><b>NOTE: Class begins at 1:15</b></li> </ul>	DUE: Short Writing Activity 2  Be prepared to talk about your environmental issue
	Conventional Accounting Model	<ul style="list-style-type: none"> <li>S&amp;B Ch 7</li> </ul>	<ul style="list-style-type: none"> <li>In-Class Activity</li> </ul>
4	Conventional Accounting Model, cont.  Ethics	<ul style="list-style-type: none"> <li>CASE: Tan Your Hide, Inc.</li> <li>CASE: Deepwater Holding Co. (Handouts)</li> <li>The environment and the accountant as ethical actor (BB)</li> </ul>	<ul style="list-style-type: none"> <li>In-Class Activity, continued</li> <li><b>DUE:</b> Short Writing Activity 3</li> <li>Be prepared to discuss short cases</li> </ul>
	Ethics	<ul style="list-style-type: none"> <li>Case: Ethics and environmental reporting (BB)</li> </ul>	Be prepared to discuss the ethics case in class.
5	Expanded Accounting Model	<ul style="list-style-type: none"> <li>Financial Accounting: In communicating reality...(BB)</li> </ul>	PG&E Project Introduction
	Environmental Management Accounting	<ul style="list-style-type: none"> <li>S&amp;B, Ch 6, pp. 89-127</li> </ul>	<ul style="list-style-type: none"> <li><b>DUE:</b> PG&amp;E—Part I</li> <li>Discuss PG&amp;E—Part II</li> </ul>
6	Environmental Management Accounting	<ul style="list-style-type: none"> <li>S&amp;B, Ch 6, pp. 127-158</li> </ul>	
	Environmental Management Accounting	<ul style="list-style-type: none"> <li>Environmental Considerations...(BB)</li> <li>Case: Specialty Glass</li> </ul>	Review of Capital Budgeting  <ul style="list-style-type: none"> <li>Be prepared to discuss the case in class</li> </ul>
7	Environmental Management Accounting	<ul style="list-style-type: none"> <li>S&amp;B Ch 9</li> </ul>	DUE: Multipoint case write-up (group)
	Full Cost Accounting	<ul style="list-style-type: none"> <li>Full Cost Accounting—Chs 4 and 5 (BB)</li> </ul>	<ul style="list-style-type: none"> <li>Final Project Introduction</li> </ul>
8	Internal Ecological Accounting	<ul style="list-style-type: none"> <li>S&amp;B Ch 11, 235-275</li> <li>3M case</li> </ul>	Be prepared to discuss the case in class
	Internal Ecological Accounting	<ul style="list-style-type: none"> <li>S&amp;B Ch 11, 275-314</li> </ul>	DUE: Environmental Audit Project—Part II

9	External Ecological Accounting	<ul style="list-style-type: none"> <li>• S&amp;B Ch 12</li> </ul>	
	Looking to the future of environmental accounting	<ul style="list-style-type: none"> <li>• Developing environmental accounting: insights from indigenous cultures (BB)</li> </ul>	
10	Course Wrap-up	<ul style="list-style-type: none"> <li>• S&amp;B Ch 15</li> </ul>	DUE: Reporting Project
	Final Exam	<ul style="list-style-type: none"> <li>• 10:30-12:30</li> </ul>	

Please note: Late assignments will be accepted, however, with points deducted. For short writing assignments and projects, students will lose 5% of the points for each school day after the due date. For case write-ups, because we discuss them so thoroughly in class, any late cases will not receive a score higher than the lowest score in the class (for fairness to those who turned it in on time.)