

LSC Use Only Proposal No: _____ UWUCC Use Only Proposal No: 12-110
 LSC Action-Date: _____ UWUCC Action-Date: AP-4/2/13 Senate Action Date: App-4/30/13

Curriculum Proposal Cover Sheet - University-Wide Undergraduate Curriculum Committee

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|--|---|
| Contact Person(s) Dr. Germain P. Kline | Email Address gpkline@iup.edu |
| Proposing Department/Unit Accounting | Phone 724.357.2686 |

Check all appropriate lines and complete all information. Use a separate cover sheet for each course proposal and/or program proposal.

1. Course Proposals (check all that apply)

New Course Course Prefix Change Course Deletion
 Course Revision Course Number and/or Title Change Catalog Description Change

Current course prefix, number and full title: _____

Proposed course prefix, number and full title, if changing: **ACCT 475/575 Accounting for the Oil and Gas Industry**

2. Liberal Studies Course Designations, as appropriate
 This course is also proposed as a Liberal Studies Course (please mark the appropriate categories below)

Learning Skills Knowledge Area Global and Multicultural Awareness Writing Across the Curriculum (W Course)
 Liberal Studies Elective (please mark the designation(s) that applies – must meet at least one)

Global Citizenship Information Literacy Oral Communication
 Quantitative Reasoning Scientific Literacy Technological Literacy

3. Other Designations, as appropriate

Honors College Course Other: (e.g. Women's Studies, Pan African)

4. Program Proposals

Catalog Description Change Program Revision Program Title Change New Track
 New Degree Program New Minor Program Liberal Studies Requirement Changes Other

Current program name: _____

Proposed program name, if changing: _____

| 5. Approvals | Signature | Date |
|--|-----------|----------------|
| Department Curriculum Committee Chair(s) | | <u>2/28/13</u> |
| Department Chairperson(s) | | <u>2/26/13</u> |
| College Curriculum Committee Chair | | <u>3/11/13</u> |
| College Dean | | <u>3/13/13</u> |
| Director of Liberal Studies (as needed) | | |
| Director of Honors College (as needed) | | |
| Provost (as needed) | | |
| Additional signature (with title) as appropriate | | |
| UWUCC Co-Chairs | | <u>4/5/13</u> |

Received Received
 APR 5 2013 MAR 26 2013

Liberal Studies Liberal Studies

Sent to Grad. School 4-5-13

ACCT 475/575
Accounting for the Oil and Gas Industry
Syllabus of Record

Instructor Information:

3 class hours
0 lab hours
3 credits
(3c-0l-3cr)

Prerequisite: ACCT 201 and 202, or equivalent.

I. Course Description:

Designed to provide an introduction into the accounting theory, practices and reporting requirements for the oil and gas industry. The significance of the industry in a global economy and the impact on International Financial Reporting Standards will be addressed.

II. Course Outcomes:

Upon completion of the course, students will be expected to:

1. Develop a critical understanding of the accounting theory, practices and regulatory issues relating to the oil and gas industry.
2. Review and analyze financial reports required for the industry with a view to decision making.
3. Establish and interpret project budgets and organizational goals for the oil and gas industry.
4. Evaluate the desirability of having comprehensive international accounting standards for the oil and gas industry.
5. Apply accounting methods and procedures relating to the exploration, acquisition, and disposition of mineral resources.
6. Demonstrate an understanding of the cost accounting methods, uses, and problems associated with the industry.

For graduate students;

7. Complete a research paper on a topic related to the oil and gas industry.

Course Outline:

- 1st Topic: Overview of the Oil and Gas Industry**
(4 hrs.)
- a. History of the industry and recent developments.
 - b. Basic Terms and concepts.
 - c. Accounting activities (issues and dilemmas).

- 2nd Topic: Primary business activities and organizational structure of the oil and gas industry.**
(6 hrs.)
- a. Exploration activities: concepts and practices
 - b. Acquisition
 - 1. Lease Contracts
 - 2. Transfer of mineral interests
 - 3. Unproved mineral interests
 - c. Drilling and Development
 - d. Production

- 3rd Topic: General Accounting Principles for Oil and Gas activities.**
(6 hrs.)
- a. Classification of Costs.
 - b. Successful Efforts Method
 - c. Full Cost Method
 - d. Joint Ventures

Exam I: 1 hr.

- 4th Topic: Accounting for International operations.**
(6 hrs.)

- 5th Topic: Basic Tax Issues**
(6 hrs.)
- a. General overview of tax considerations.
 - b. Income Tax Rules.
 - c. Other common tax matters.
 - d. International operations.

Exam II: 1 hr.

- 6th Topic: Auditing**
(6 hrs.)
- a. Planning
 - b. Assessment of Risk.
 - c. Additional audit considerations
 - d. Disclosure

- 7th Topic: Internal Control Considerations**
(6 hrs.)
- a. Framework
 - b. Reporting Requirements
 - c. Evaluations.
 - d. Control activities

Final Exam: 2 hrs.

III. Evaluation Procedure:

Students will be assigned readings relevant to the chapter topics. An overview of each topic will be presented and class discussions encouraged. Each issue will be supported with illustrations and exercises, and out-of-class problems will be assigned to enhance the student's ability to interpret and apply acceptable accounting practices and procedures.

| Final Grade: | Pts. | (ACCT 475) Final Grade | (ACCT 575) Final Grade | Objectives |
|------------------------------|-------------|-----------------------------------|-----------------------------------|--------------------|
| Examinations (2 X 25) | 50 | A = 90 – 100 | A = 90 – 100 | 1,2,5 and 6 |
| Final Exam | 30 | B = 80 - 89 | B = 80 – 89 | 1,2,5 and 6 |
| Assignments* | 10/5 | C = 70 - 79 | C= 70 – 79 | 3 and 4 |
| Class participation* | 10/5 | D = 60 - 69 | F = below 70 | |
| Total Points | 100 | F = Less than 60 | | |

***Graduate students will be required to complete a research paper which will account for 10 points toward their final grade. The Assignments and Class Participation component will be reduced to 10 points. (Obj. 7)**

Attendance Policy

The attendance policy will comply with that of IUP's attendance policy.

IV. Textbook:

Fundamentals of Oil & Gas Accounting, 5th ed., Charlotte J. Write, Pennwell Corp. (2008)

Supplemental Readings:

Entities with Oil and Gas Producing Activities; AICPA Audit & Accounting Guide (July 2011).

Petroleum Accounting: Principles, Procedures and Issues, 7th ed., PWC/Brock book. (2012)

Bibliography (Some of the following references are more than 10 years old but represent the framework for current accounting and reporting standards for the oil and gas industry.)

Accounting Standards:

Financial Accounting Standards Board, Norwalk, CT.
Statements 19,25,33 and 39
Interpretations No. 33 and 36

American Institute of Certified Public Accountants:
Entities With Oil and Gas Producing Activities – AICPA Audit and Accounting Guide
Updated as of July 1, 2011.

Books:

Wright, Charlotte J. and Gullum, Rebecca A. 2008. Fundamentals of Oil and Gas Accounting 5th ed. PennWell Corporation.

Epstein, Barry, Nach, Ralph and Brasy, Steve. 2008. Interpretation and application of Generally Accepted Accounting Principles. John Wiley & Sons. Inc.

McCoy, C.F. 1979. Oil and Gas Accounting. Matthew Bender, Albany, NY.

Moore, Cecil H. and Grier, James D. 1983. Accounting standards and regulations for oil and gas producers. Prentice-Hall, Englewood Cliffs, N.J. 1983

Journal Articles:

Lys, Thomas. *Mandated accounting changes and debt covenants: The case of oil and gas accounting.* **Journal of Accounting and Economics**, Volume 6, Issue 1, April 1984.

Bryant, Lisa. *Relative Value Relevance of the Successful Efforts and Full Cost Accounting Methods in the Oil and Gas Industry.* **Review of Accounting Studies**, Volume 8, Number 1, 2003

Holthausen, Robert W. *Accounting method choice: Opportunistic behavior, efficient contracting, and information perspectives.* **Journal of Accounting and Economics**, Volume 12, Issues 1-3, 1990.

Comier, Denis. *Performance reporting by oil and gas firms: contractual and value implications.* **Journal of International Accounting, Auditing and Taxation.** Volume 11, Issue 2. 2002

Alciatore, Mimi, Easton, Peter, and Spear, Nasser. *Accounting for the impairment of long-lived assets: Evidence from the petroleum industry.* **Journal of Accounting and Economics.** Volume 29, issue 2. April 2000.

Malmquist, David H. *Efficient contracting and the choice of accounting method in the oil and gas industry.* **Journal of Accounting and Economics.** Volume 12, Issues 1-3. January 1990.

Course Analysis Questionnaire
Section A: Details of the Course

A1 How does this course fit into the programs of the department? For which students is the course designed? (majors, students in other majors, liberal studies). Explain why this content cannot be incorporated into an existing course.

At the undergraduate level, the course will be included as a Major Area Elective and at the graduate level it is approved as an elective for the accounting concentration in the MBA program.

A2 Does this course require changes in the content of existing courses or requirements for a program? If catalog descriptions of other courses or department programs must be changed as a result of the adoption of this course, please submit as separate proposals all other changes in courses and/or program requirements.

This course does not require changes in the content of existing courses, therefore no separate proposals are submitted.

A3 Has this course ever been offered at IUP on a trial basis (e.g. as a special topic) If so, explain the details of the offering (semester/year and number of students).

This course has not been previously been offered at either level.

A4 Is this course to be a dual-level course? If so, please note that the graduate approval occurs after the undergraduate.

This course will be dual listed and graduate approval will occur after undergraduate approval.

A5 If this course may be taken for variable credit, what criteria will be used to relate the credits to the learning experience of each student? Who will make this determination and by what procedures?

This course will not be taken for variable credit.

A6 Do other higher education institutions currently offer this course? If so, please list examples (institution, course title).

Several colleges and universities throughout the country are currently offering programs at the graduate and undergraduate levels relating to the energy management:

The University of Texas: www.utexas.edu

SMU: www.cox.smu.edu

The University of Tulsa: www.utulsa.edu

University of Colorado: www.ucdenver.edu

Kent State University: www.kent.edu

University of Houston: www.bauer.uh.edu

A7 Is the content, or are the skills, of the proposed course recommended or required by a professional society, accrediting authority, law or other external agency? If so, please provide documentation.

The course is not required by any professional society, accrediting authority, law or other external agency, however, the increasing significance of the energy industry has resulted in the accounting profession and the oil and gas industry to encourage the development and delivery of an accounting course dealing with related concepts, principles and procedures.

Section B: Interdisciplinary Implications

B1 Will this course be taught by instructors from more than one department or team taught within the department? If so, explain the teaching plan, its rationale, and how the team will adhere to the syllabus of record.

This course will not be taught by instructors from more than one department nor team taught within the department.

B2 What is the relationship between the content of this course and the content of courses offered by other departments? Summarize your discussions (with other departments) concerning the proposed changes and indicate how any conflicts have been resolved. Please attach relevant memoranda from these departments that clarify their attitudes toward the proposed change(s).

The course has been developed in collaboration with the other departments having interest in the energy program, however, there is no overlap in the content of courses offered by other departments.

B3 Will this course be cross-listed with other departments? If so, please summarize the department representatives' discussions concerning the course and indicate how consistency will be maintained across departments.

The course will not be cross-listed with other departments.

B4 Will seats in this course be made available to students in the School of Continuing Education?

Seats will be made available for any students having the necessary course prerequisites.

Section C: Implementation

C1 Are faculty resources adequate? If you are not requesting or have not been authorized to hire additional faculty, demonstrate how this course will fit into the schedule(s) of current faculty. What will be taught less frequently or in fewer sections to make this possible? Please specify how preparation and equated workload will be assigned for this course.

We will be able to offer the course within our currently assigned complement. We will rotate accounting electives between semesters.

C2 What other resources will be needed to teach this course and how adequate are the current resources? If not adequate, what plans exist for achieving adequacy? Reply in terms of the following:

- *Space: No additional space allocations will be required
- *Equipment: Existing classroom workstations will be sufficient.
- *Laboratory Supplies and other Consumable Goods: No special laboratory supplies and other consumable goods will be required.
- *Library Materials: Existing library materials will be sufficient.
- *Travel Funds: No travel funds will be needed.

C3 Are any of the resources for this course funded by a grant? If so, what provisions have been made to continue support for this course once the grant has expired? (Attach letters of support from Dean, Provost, etc.)

The course will not be funded by a grant.

C4 How frequently do you expect this course to be offered? Is this course particularly designed for or restricted to certain seasonal semesters?

The course is expected to be offered once during the academic year.

C5 How many sections of this course do you anticipate offering in any single semester?

Only one section is anticipated during a single semester.

C6 How many students do you plan to accommodate in a section of this course? What is the justification for this planned number of students?

The maximum expected enrollment will be 35 students based upon our enrollments in our other accounting elective courses.

C7 Does any professional society recommend enrollment limits or parameters for a course of this nature? If they do, please quote from the appropriate documents.

No professional society recommends enrollment limitations for a this type of course.

C8 If this course is a distance education course, see the Implementation of Distance Education Agreement and the Undergraduate Distance Education Review Form in Appendix D and respond to the questions listed.

This course is not currently being proposed for distance education.

Section D: Miscellaneous

Include any additional information valuable to those reviewing this new course proposal.

The addition of this course to our curriculum will provide our students with another opportunity to be exposed to information relevant to current topics within the profession and enhance their career opportunities.