

**Module: ACC 670 Audit Theory****Contents:**

The course analyzes the market structure of the audit market as well as the auditor-client relationship. The separation of ownership and control and widespread shareholdings generate the demand for independent auditing. Audit theory investigates the role played by the auditor as a strategic player. The analysis is based on theoretical models utilizing game theory.

**Learning outcomes:**

Students are familiar with the purpose and the scope of an independent audit. They see auditing as a potential resolution but also a potential source of agency conflicts. Furthermore, students know how the auditor strategically interacts in game theoretic settings. They are aware of the influence of regulatory changes on auditing and the audit firm's responses to these changes.

**Prerequisites:**

**Formal:** ACC 5XX, not taken ACC 671

**Recommended:** Preparation of the literature that will be provided for self-study

**Obligatory registration:** no

**Further Information on registration:** -

<b>Courses</b>	<b>Hours per week</b>	<b>Self-study</b>
Lecture	2	9
Exercise Session	1	5
ECTS in total		6

<b>Form of assessment</b>	Written exam (60 minutes) or oral exam
<b>Preliminary course work</b>	-
<b>Performing lecturer</b>	Prof. Dr. Dirk Simons, Dr. Sebastian Kronenberger
<b>Examiner</b>	Prof. Dr. Dirk Simons
<b>Duration of module</b>	1 semester
<b>Offering</b>	Fall semester
<b>Language</b>	English
<b>Program-specific educational goals</b>	CG 1, CG 2, CG 5
<b>Grade</b>	graded
<b>Range of application</b>	M.Sc. MMM, M.Sc. Bus. Edu., M.Sc. Bus. Inf., M.Sc. Econ., LL.M.