

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

The course analyzes the market structure of the audit market as well as the auditor-client relationship. Audit theory can be interpreted as part of corporate governance theory where one special player in the governance system, the auditor, is analyzed. The analysis is based on theoretical models. The regulatory framework is evaluated by means of 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: Fall semester 2019: not taken ACC 671

From fall semester 2020: 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:

Courses	Hours per week	Self-study
Lecture	2	6
Exercise Session	1	3
ECTS in total		6

Form of assessment	Written exam (60 minutes) or oral exam
Preliminary course work	
Lecturer/Person in charge	Prof. Dr. Dirk Simons
Duration of module	1 semester
Offering	Fall semester
Language	English
Program-specific educational goals	LG 1, LG 2, LG 5
Grade	graded
Range of application	M.Sc. MMM, M.Sc. MMBR, M.Sc. Bus. Edu., M.Sc. Bus. Inf., M.Sc. Econ., LL.M.