

**Division of Accountancy & Legal Environment  
College of Business  
Marshall University**

Course Title/Number	<b>ACC 640 – Forensic Accounting: Civil Litigation</b>
Semester/Year	
Days/Time	
Location	Corbly Hall, Room 211
Instructor	Susan W. Lanham, PhD, MAFF
Office	Corbly Hall, Room 226
Phone	(304) 696 - 2666
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Office/Hours	TBA: Six hours per week minimum
University Policies	By enrolling in this course, you agree to the University Policies listed below. Please read the full text of each policy by going to <a href="http://www.marshall.edu/academic-affairs">www.marshall.edu/academic-affairs</a> and clicking on “Marshall University Policies.” Or, you can access the policies directly by going to <a href="http://www.marshall.edu/academic-affairs/?page_id=802">http://www.marshall.edu/academic-affairs/?page_id=802</a>  Academic Dishonesty/ Excused Absence Policy for Undergraduates/ Computing Services Acceptable Use/ Inclement Weather/ Dead Week/ Students with Disabilities/ Academic Forgiveness/ Academic Probation and Suspension/ Academic Rights and Responsibilities of Students/ Affirmative Action/ Sexual Harassment

### Course Description

This course involves the examination of various services provided by financial experts during the litigation process and the financial theory and methodology behind analytic and damages issues in civil litigation. (3 credit hours)

Throughout this course, students will utilize their accounting, auditing, critical thinking, research, and communication skills to effectively:

- Understand the forensic accountant’s role in the litigation process;
- Anticipate and deal with issues that may arise during litigation;
- Develop damages theories and models;
- Prepare a clear and concise opinion report that is suitable for use in court.

### Special Services

Services are available to help Marshall students who have special needs. If you have a cognitive disability such as ADD, or a learning difference, or a physical limitation, accommodations can be made to help you. I am glad to cooperate in making adjustments for you. However, you must initiate the process. For more information: [www.marshall.edu/disabled](http://www.marshall.edu/disabled). Contact the Disabled Student Services Office: 117 Prichard Hall, 304-696-2271.

**Student Learning Outcomes, Practices & Assessments:**

Student Learning Outcomes	How Practiced in this Course	How Assessed in this Course
<b>Language of the Discipline:</b> Students will develop a basic understanding of forensic accounting and business terminology and concepts.	Problem-based and discovery learning	In-class assignments, exercises, and quizzes
<b>Reasoning:</b> Students will develop an understanding of a forensic accountant’s role, responsibility and requirements during the litigation process.	Problem-based, inductive, cooperative, and project-based learning	Quizzes, economic damages project, and examinations
<b>Reasoning:</b> Students will model their critical thinking skills in the development of their professional skepticism.	Problem-based, discovery, active, and case-based learning	In-class assignments, exercises, quizzes, economic damages project, and examinations
<b>Reasoning:</b> Students will understand the financial theory and methodology behind analytic and damages issues in civil litigation.	Inductive, problem-based, active, and case-based learning	Economic damages project, quizzes, economic damages project, and examinations
<b>Representation:</b> Student will synthesize financial theory and methodology to compose a clear and concise opinion report that is suitable for use in court.	Problem-based, active, and case-based learning	Economic damages project, deposition, and exams
<b>Reflection:</b> Students will evaluate real world cases in litigation and anticipate how the use of differing valuation methodologies affects the overall forensic accounting results.	Inductive learning	Economic damages project, exercises
<b>Information Literacy:</b> Students will demonstrate proficiency in using Excel to collect, manage, and evaluate accounting information. Student will apply and enhance their computer spreadsheet and word processing skills.	Problem-based learning	Exercises and deposition

**Required Text**

*Litigation Services Handbook, 5<sup>th</sup> Edition*, by Roman Weil, Daniel Lentz, and David Hoffman, Publication Date: August 7, 2012 | ISBN-10: 1118116399 | ISBN-13: 978-1118116395

### **Additional Reading**

Daubert in the Realm of Financial Damages Experts, by Jonathan M. Dunitz, Esq., Autumn 2011, *Shareholder Forensic Analysis Insights*

You Got the Litigation Engagement, So Now What, by Scott E. Miller, September / October 2004, *The Value Examiner*

Determining Economic Damages in Personal Injury and Wrongful Death Cases, by Susan W. Lanham, 2013, *WV Record*

Statement of Ethical Principles and Principles of Professional Practice, published by the *National Association of Forensic Economists*

Discounting Economic Damages to Present Day Value, by Susan W. Lanham, 2014, *NACVA QuickRead*

Forensic & Valuation Services Practice Aid Measuring Damages Involving Individuals, published by the *American Institute of Certified Public Accountants*

Modeling and Discounting Future Damages, by Robert L. Dunn and Everett P. Harry, 2002. *Journal of Accountancy*

So You Want to Be an Expert Witness, by D. Larry Crumbley and Keith A. Russell, 2004, *Journal of Accountancy*.

Declaration of Roman L. Weil, United States District Court of Southern District of Texas, Houston Division, *In re Enron Corporation Securities Litigation*

Characteristics and Skills of the Forensic Accountant, by Charles Davis, Ramona Farrell, and Suzanne Ogilby, AICPA/FVS Section

The Role of Forensic Accountants in Litigation Cases. Warshavsky, M. S. (2013), CPA Journal, 83(6), 58-61.

A Case Study on the Determination of Lost Profits for the Forensic Accountant. DiGabriele, J. A. (2012), *Issues In Accounting Education*, 27(3), 751-759. doi:10.2308/iace-50161

The Basics of Business Valuation, Fraud and Forensic Accounting, and Dispute Resolution Services. Smith, E. P. (2012), CPA Journal, 82(6), 6-11.

The Mobile Home Monster: A Forensic Case in the Use of Public Records to Locate Assets. Quirin, J. J., & O'Bryan, D. W. (2014), *Issues In Accounting Education*, 29(2), 371-378. doi:10.2308/iace-50616

### **Course Requirements**

**EXERCISES:** Read the chapters thoroughly and complete the assignments as directed by your instructor prior to the due dates. Read the chapters prior to class. When you come to class prepared, you ask better questions and give the instructor the needed direction to fill in the gaps for you.

**IN-CLASS ASSIGNMENTS:** These assignments will be given during regularly scheduled class time and submitted at the end of class for grading. You must be present in-class to get and receive credit for these assignments. There will be no make-up of in-class assignments unless you have a university excused absence.

**QUIZZES:** Open book quizzes will be given on each chapter and will be available on MUOnline. Please note there will be no make-up quizzes.

**ECONOMIC DAMAGES PROJECT:** You will be assigned a legal case where you will act as the forensic accountant hired to value the compensatory damages in the case. A formal valuation report will be prepared and issued.

**DEPOSITION:** You will be deposed on your economic damages report by an actual attorney. The deposition will last 20 to 30 minutes and take place during class (date).

**EXAMINATIONS:** There will be a midterm exam and a final exam during the course of the semester. The final exam will be a comprehensive exam. All make-up exams are at the discretion of the instructor and will require a university excused absence. Please note there will be no make-up exam given for the final exam. Students must take the final exam at their designated day and time slot.

### Grading Policy

Requirement	Description	Points	% of Total
Attendance	You are allowed one unexcused absence. Five points will be earned for the attendance of each class.	60	6%
Exercises	You will be required to complete a variety of forensic accounting-related problems and exercises in an effort to reinforce the material presented.	350	35%
Quizzes	Quizzes are required to practice vocabulary, concepts, and forensic accounting related-calculations.	150	15%
Economic Damages Project	You will analyze a real world case where economic damages will need to be calculated and presented in a written report that is suitable for use in court.	100	10%
Deposition	You will be deposed by an actual attorney and answer questions regarding the written report generated from the economic damages project.	40	4%
Mid Term Exam	A mid-term exam will be given during the course covering the first ten chapters of the book to assess knowledge of concepts, methodologies, and calculations.	150	15%
Comprehensive Final Exam	A final comprehensive exam will be given to assess knowledge of concepts, methodologies, and calculations.	150	15%
<b>Total</b>		<b>1,000</b>	<b>100%</b>

Your final grade will be based on the following scale:

90% and up = A, 80 – 89.9% = B, 70 – 79.9% = C, 60 – 69.9% = D, below 60% = F

## Attendance Policy

Class will be held on the days indicated. As an instructor, I expect you to be in class. Attendance is important to the learning process and role will be taken each time the class meets. It is your responsibility to make sure that the attendance sheet has been signed and to submit proper documentation for university excused absences. In addition to university excused absences, each student will be allowed one unexcused absence.

## Class Schedule:

Week 1	Date	<p><b>Read Chapter 1: A Dispute Resolution Primer</b>  <u>Exercises: 1, 2, &amp; 3:</u> The exercises can be found on MUOnline under the Week 1 tab. They should be submitted through MUOnline before (date).</p> <p><b>Read Chapter 2: Serving as a Financial Expert in Litigation</b>  <u>Exercise: 4:</u> The exercise can be found on MUOnline under the Week 1 tab. They should be submitted through MUOnline before (date).</p> <p><u>Chapter 1 Quiz:</u> The quiz covers material in Chapter 1.  <u>Chapter 2 Quiz:</u> The quiz covers material in Chapter 2.</p> <p>The quizzes are located online in the course shell under the Week 1 tab. These are open book timed quizzes that can only be taken once with a time limit of twenty minutes each. Both quizzes consist of 10 multiple choice questions each worth 1 point per question. The quizzes must be complete by midnight (date).</p> <p><b>Prepare for Week 3</b>            Read Chapters 3 and 4</p>
Week 2	Date	<p><b>Chapter 3: Causation Issues and Expert Testimony</b>  <u>Exercises: 1 &amp; 2:</u> The exercises can be found on MUOnline under the Week 3 tab. They should be submitted through MUOnline before midnight (date).</p>
Week 3	Date	<p><b>Chapter 4: Developing Damages Theories and Models</b>  <u>Exercises: 3 &amp; 4:</u> The exercises can be found on MUOnline under the Week 3 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Chapter 3 Quiz:</u> The quiz covers material in Chapter 3.  <u>Chapter 4 Quiz:</u> The quiz covers material in Chapter 4.</p>

		<p>The quizzes are located online in the course shell under the Week 3 tab. These are open book timed quizzes that can only be taken once with a time limit of twenty minutes each. Both quizzes consist of 10 multiple choice questions each worth 1 point per question. The quizzes must be complete by midnight (date).</p> <p><b>Prepare for Week 4</b> Read Chapters 5 and 6</p>
Week 4	Date	<p><b>Chapter 5: Ex Ante versus Ex Post Damages Calculations</b> <u>Exercises: 1 &amp; 2</u>: The exercises can be found on MUOnline under the Week 4 tab. They should be submitted through MUOnline before midnight (date).</p> <p><b>Chapter 6: Use of Statistical Sampling in Litigation</b> <u>Exercises: 3 &amp; 4</u>: The exercises can be found on MUOnline under the Week 4 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Chapter 5 Quiz</u>: The quiz covers material in Chapter 5. <u>Chapter 6 Quiz</u>: The quiz covers material in Chapter 6.</p> <p>The quizzes are located online in the course shell under the Week 4 tab. These are open book timed quizzes that can only be taken once with a time limit of twenty minutes each. Both quizzes consist of 10 multiple choice questions each worth 1 point per question. The quizzes must be complete by midnight (date).</p> <p><b>Prepare for Week 5</b> Read Chapters 7 and 8</p>
Week 5	Date	<p><b>Chapter 7: Statistical Estimation of Incremental Cost from Accounting Data</b> <u>Exercises: 1 &amp; 2</u>: The exercises can be found on MUOnline under the Week 5 tab. They should be submitted through MUOnline before midnight (date).</p> <p><b>Chapter 8: Economic Analysis</b> <u>Exercise: 3</u>: The exercise can be found on MUOnline under the Week 5 tab. They should be submitted through MUOnline before (date).</p> <p><u>Chapter 7 Quiz</u>: The quiz covers material in Chapter 7. <u>Chapter 8 Quiz</u>: The quiz covers material in Chapter 8.</p>

		<p>The quizzes are located online in the course shell under the Week 5 tab. These are open book timed quizzes that can only be taken once with a time limit of twenty minutes each. Both quizzes consist of 10 multiple choice questions each worth 1 point per question. The quizzes must be complete by midnight (date).</p> <p><b>Prepare for Week 6</b> Read Chapter 9</p>
Week 6	Date	<p><b>Chapter 9: Estimating the Cost of Capital</b> <u>Exercises: 1, 2, &amp; 3:</u> The exercises can be found on MUOnline under the Week 6 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Chapter 9 Quiz:</u> The quiz covers material in Chapter 9.</p> <p>The quiz is located online in the course shell under the Week 6 tab. This is an open book timed quiz that can only be taken once with a time limit of twenty minutes. The quiz consists of 10 multiple choice questions; each worth 1 point per question. The quiz must be complete by midnight (date).</p> <p><b>Prepare for Week 7</b> Read Chapter 10</p>
Week 7	Date	<p><b>Chapter 10: Business Valuation</b> <u>Exercises: 1, 2, 3, &amp; 4:</u> The exercises can be found on MUOnline under the Week 7 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Chapter 10 Quiz:</u> The quiz covers material in Chapter 10.</p> <p>The quiz is located online in the course shell under the Week 7 tab. This is an open book timed quiz that can only be taken once with a time limit of twenty minutes. The quiz consists of 10 multiple choice questions; each worth 1 point per question. The quiz must be complete by midnight (date).</p> <p><b>Prepare for Week 8</b> Study for your Midterm</p>

Week 8	Date	<p><b>Economic Damages Project Assigned</b> Students will act as a forensic accountant hired by an attorney to value the economic damages in a case. A case outline with supporting documentation will be provided and discussed in class. Rough draft report is due in class (date).</p> <p><b>Review (Midterm Exam)</b></p> <p><b>Midterm Exam</b> Midterm Exam will cover material from Chapters 1-10.</p> <p><b>Prepare for Week 9</b> Read Chapter 12</p>
Week 9	Date	<p><b>Chapter 12: Lost Earnings of Persons</b> <u>Exercises: 1, 2, 3, &amp; 4:</u> The exercises can be found on MUOnline under the Week 9 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Chapter 12 Quiz:</u> The quiz covers material in Chapter 12.</p> <p>The quiz is located online in the course shell under the Week 9 tab. This is an open book timed quiz that can only be taken once with a time limit of twenty minutes. The quiz consists of 10 multiple choice questions; each worth 1 point per question. The quiz must be complete by midnight (date).</p> <p><b>Prepare for Week 10</b> Read Medical Expenses &amp; Household Services handout</p>
Week 10	Date	<p><b>Future Medical Expenses &amp; Lost Household Services</b> <u>Exercises: 1, 2, &amp; 3:</u> The exercises can be found on MUOnline under the Week 10 tab. They should be submitted through MUOnline before midnight (date).</p> <p><u>Medical Expenses &amp; Household Services Quiz:</u> The quiz covers your notes and other material handed out in class.</p> <p>The quiz is located online in the course shell under the Week 10 tab. This is an open note timed quiz that can only be taken once with a time limit of twenty minutes. The quiz consists of 10 multiple choice questions; each worth 1 point per question. The quiz must be complete by midnight (date).</p> <p><b>Prepare for Week 11</b> Read Chapters 13 &amp; 14</p>



Week 13	Date	<b>Depositions</b> Formal depositions on the final report from the economic damages project will be taken by area attorneys.
Week 14	Date	<b>Discuss Deposition Experiences and Best Practices Review for Final Exam</b>
Week 15	Date	<b>Final Comprehensive Exam</b> Final Exam will cover material from Chapters 1-10, 12-14, 32 & 33, and Medical Expenses and Household Services material.

### How to Succeed in This Class

Learning is an active process! You will not learn the material if the only work you do is coming to class. To succeed in this class YOU must do the following: read the book BEFORE coming to class, ask questions about material you do not understand, do ALL of the assigned problems and verify that you have done them correctly! Do not allow yourself to fall behind.

### Academic Dishonesty

Familiarize yourself with the Academic Rights and Responsibilities section of the Marshall University Student Handbook. Note that in a situation of academic dishonesty involving the inappropriate transfer of information, providing such information to others is an offense comparable to receiving such information. Academic dishonesty includes securing or giving unfair assistance during examinations or required work of any type. This policy applies to exams and all other work that earns points toward your grade in this course, unless indicated by the instructor.

### Cell Phone Policy

All cell phones must be silenced and stowed away during class to prevent class disruptions.

### Calculator Policy

**Calculators will be provided for students to use on the day of all major exams.** Students will be permitted to use their own calculators on in-class exercises.

### Make-Up Policy

All make-up exams are at the discretion of the instructor and will require a university excused absence. The instructor reserves the right to double count the final exam for any exam that a student may have missed during the semester. **Please note there will be no make-up exam given for the final exam. Students must take the final exam at their designated day and time slot.**