



**FACULTY OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE
POSTGRADUATE DIPLOMA IN ACCOUNTING
& MASTER OF ACCOUNTING**

ACCG859 CURRENT ISSUES IN ACCOUNTING

UNIT OUTLINE

TRIMESTER 1, 2009

UNIT CONVENOR: LOUISE LUFF

PREREQUISITIES: ACCG 855 CORPORATE ACCOUNTING

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

This is an advanced unit in financial accounting which examines accounting theories and their relationship to a broad range of issues of current concern to both the accounting profession and accounting information users. As such, it places considerable demands upon you to ensure that you remain up to date in your study and readings. The objective of the unit is for you to develop an ability to critically evaluate accounting policies and procedures. The unit provides an evaluation of various theoretical issues where you will be challenged to question the foundations of financial accounting and to think critically about current issues in financial accounting. Also, you will be required to consider the impact of theory on practical accounting issues.

This unit enables you to develop your **generic skills**, particularly your communication skills through participation in class discussion and your analytical and critical analysis skills to evaluate, synthesise and judge through research and essay writing. Weekly discussion questions require you to read the texts and other reading material (both supplied and on the web) and to discuss your answers in class. The research argument requires you to be an independent researcher with a high level of writing skills. High levels of oral and written communication skills are a professional requirement. This unit is equal to 3 credit points.

TEACHING STAFF

Convenor for T, 2009: Louise Luff telephone 0408 104 046 (business hours only) and email Louiseluff@yahoo.com

Lecturers in Trimester 1 are:

Louise Luff

Claire Locke, email

Clayton Thompson, email

LEARNING OBJECTIVES AND OUTCOMES

After studying this unit, you should be able to demonstrate the following specific learning objectives:

- Discuss different types of theories in accounting
- Describe the (conceptual) framework of accounting and analyse how accounting standard setting developed and why accounting is regulated
- Explain why there is a need for global accounting standards and critique the obstacles to successful implementation of global accounting standards
- Discuss the importance of studying ethics in an accounting course and understand why ethical behaviour is important for accountants
- Examine the reason creativity is practised in accounting and appreciate the consequences of creative accounting
- Identify the requirements of CLERP in relation to accounting and explain the role of accounting in corporate governance processes
- Explain the impact of judgment and measurement particularly in relation to AASB 2 Share-based payment, AASB 141 biological assets, AASB 1023 general insurance and heritage assets
- Evaluate the advantages and disadvantages of providing social and environmental information.

In addition to these specific learning objectives, one of the aims of this unit is students be provided an opportunity to develop their generic skills in the following areas:

- Communication skills
- Critical analysis skills
- Problem-solving skills
- Creative thinking skills

TEACHING AND LEARNING STRATEGY

The unit consists of a weekly three hour seminar. The unit is largely (a lot of) reading and discussion-based learning. In seminars, you are expected to understand the main concepts and techniques that relate to the subject matter. Also you are expected to read specified references. Using the concepts presented in seminars or readings, you are required to prepare **written** answers to weekly assignments. This is the best way to prepare for the final examination.

Answers to weekly assignments will be discussed in seminars. It is expected that you will actively participate in seminar discussion. The seminars should be viewed by you as an active forum for any problems or difficulties that you are experiencing with the subject content. Lecture outlines will be placed on the unit's web page. You can access the web page on campus, at work or at home <http://online.mq.edu.au/> where you can login to myWebCT which lists all the webct units. No answers to the discussion questions are made available to you.

UNIT ASSESSMENT AND GRADING POLICY

The following weightings apply for unit assessment:

2 in-class essays		
In-class essay 1	10%	
In-class essay 2	<u>15%</u>	25% (<i>In total for both in-class essays</i>)
Research argument		15%
Team presentation		10%
Final Examination		50%

It is expected that you will submit all assessment tasks and you will be penalised if you do not. Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your result will include one of these grades plus a standardised numerical grade (SNG). Your SNG is not necessarily the sum of your continuous assessment marks plus your scaled final examination mark. Your SNG is a ranking of students based on raw marks obtained from all facets of the unit assessment. For an explanation of the policy see:

<http://senate.mq.edu.au/rules/Guidelines2003.doc>

or

<http://senate.mq.edu.au/rules/detailedguidelines.doc>

Irrespective of accumulated raw marks, you are required to pass the final examination to gain a passing SNG in this unit. The questions in the final examination will be based on the prescribed textbooks and the seminar discussion questions in addition to the lecture materials. More details will be given towards the end of the trimester. Note that the best preparation for the in-class essays and the final examination is written answers to the weekly assignments and discussion of assignment questions in the seminars.

Due to the emphasis this unit of study places on students' ability to critically evaluate accounting policies and procedures and communication skills, each assessment task is closely aligned with the generic skills and specific technical skills students will develop.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Divisions may wish to signal when the Division's Supplementaries are normally scheduled.)

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester that is the final day of the official examination period.

IN-CLASS ESSAYS

In this unit, the mid-term test has been replaced by two in-class essays in Weeks 3 and 8 (see the Unit Program for the broad essay topics). The 1st essay is worth 10% and the 2nd essay worth 15%. These are closed book assessment tasks (no resource materials are allowed) under examination conditions. The essay questions are based on the relevant chapters in the customised texts and the readings booklet – memorising the lectures outlines is not sufficient to answer the questions.

In Week 2, staff from CME will present a workshop on essay writing and the following week (Week 3) you will be expected to write the first essay. Marking criteria are specified on the feedback sheet (see Appendices 2 and 3). You must attend your assigned class, and if you do not attend that class there will be no further opportunity for you to write the essays.

ESSAY WRITING WORKSHOPS

In association with CME, the lecturing staff on this unit will run a workshop to assist students to write the **research argument**. This workshop is in addition to the lectures and is at no cost to students. You will receive valuable advice in relation to writing the research argument and be given help in knowing how to research. The workshop will be held in Week 4. The dates and location will be advised in Week 2.

RESEARCH ARGUMENT

This component is worth 15% and the hard copy (see other requirements below) should be submitted **without exception to your lecturer at the commencement of your enrolled class time in Week 10, the week commencing Wednesday 25 March 2009.** Simply download and attach the ERIC cover sheet

http://www.efs.mq.edu.au/EFS_docs/student_support/Individual_cover_sheet.pdf

and the research argument feedback sheet (Appendix 1) to the research argument by stapling on the left-hand corner. It is not necessary to place the research argument in any type of binding or plastic cover. If you do not attach the feedback sheet, you will not receive feedback.

The new requirements, which include a preliminary electronic submission to check for plagiarism, mean that you may need to have your research argument ready for electronic submission by 11 March 2009. This is a suggestion to allow you a two (2) week period to make any changes in response to the *Turnitin* Originality Report.

Research Argument

The AASB has recently released AASB 1008-10 *Amendments to Australian Accounting Standards – Reclassification of Financial Assets*, which amends AASB 139 *Financial Instruments: Recognition and Measurement* and AASB 7 *Financial Instruments: Disclosures*. The AASB has stated these amendments have been released in response to the worldwide credit crisis and issues concerning the classification of certain types of financial assets under International Financial Reporting Standards (IFRSs) compared with US Generally Accepted Accounting Principles (US GAAP).

Required:

Prepare an argument to discuss whether in your opinion this amendment has been adopted due to pressure being exerted by stakeholders on the International Accounting Standards Board. Your argument must identify and explain the influence of stakeholders (if any) and also be supported by relevant academic references, including accounting theories and appropriate professional journals.

Please note that this is NOT a research report. Your research argument must conform to the conventions of academic essay writing as discussed in classes led by CME.

For background information, students are advised to refer to media release dated 22 Oct. 2008 “AASB takes urgent action to assist with reclassifications of financial assets”. This media release is available on the AASB website at www.aasb.gov.au/News.aspx?newsID=2433

You are required to undertake independent research to write this research argument.

- You are required to research at least **two** articles in addition to the prescribed custom publications. **(Do not use Wikipedia or essays from a Google search that are not peer reviewed).**
- Your research argument must be approximately 1,000 words in length.
- Your answer must be typed, double-spaced, on one side of A4 paper with line spacing between paragraphs.
- No plastic covers etc are required
- Your research argument must not be plagiarised. This can be overcome by proper referencing using the **Harvard system that includes in-text referencing for direct quotes and paraphrasing** (attend CME extra workshops and see unit web site for details). There is no excuse for not knowing the requirements. **Failure to comply with this requirement will mean that your research argument will not be marked and as a consequence you will receive zero marks.**

You will receive an evaluation form for your research argument to provide feedback across a range of relevant criteria to good essay writing. It is suggested that you examine the feedback form (Appendix 1) before you start writing your research argument.

RESEARCH ARGUMENT ADMINISTRATION FOR STUDENTS

This Trimester all ACCG859 students will be required to submit assignments electronically to the *Turnitin* website.

Turnitin is an internet database that identifies papers containing unoriginal material. All students will be given detailed instructions on how to register for and use the *Turnitin* website before the first assignment is released to students.

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Turnitin is an internet database that identifies papers containing unoriginal material. All students will be provided with a Student User Guide for Turnitin which contains instructions of how to register and use the Turnitin website.

Assignment Submission Requirements

When submitting assignments for ACCG859 students must complete all the steps below:

1. **Submit your assignment to Turnitin:** when you submit your assignment the *Turnitin* website will produce an **Originality Report**. The **Originality Report** must be printed and submitted in hard copy with your assignment by the due date as instructed by your lecturer.
2. **A Cover Sheet** must be attached to the front of your assignment when submitted in hard copy. The cover sheet must be signed and dated. Coversheets can be downloaded from http://www.efs.mq.edu.au/student_support/eric

You will require the information below to use *Turnitin* as a student enrolled in ACCG859.

Class ID: 2541025
Enrolment Password: ACCG859

You will need the above *Class ID* and *Enrolment Password* when you register and create your user profile in *Turnitin* or when you add the class to your existing Turnitin user profile

If you have already use Turnitin in a previous trimester you can add a new class to your current user profile. Please refer to section 3 “Enrolling in a new Class” of your Turnitin Student User Guide.

PENALTIES WILL APPLY TO STUDENTS WHO FAIL TO FOLLOW THESE INSTRUCTIONS. IT IS THE STUDENT’S RESPONSIBILITY TO COMPLETE THESE REQUIREMENTS.

CHEATING AND PLAGIARISM

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of another person's ideas and manner of expressing them.

WHAT IS CHEATING?

You will be guilty of cheating if you do any of the following:

1. Copy from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.
2. Use or paraphrase the work of others, including any document, audio-visual or computer-based material, when preparing an assignment or writing an examination, and pretend it is your own work by not acknowledging where it came from.
3. Copy from another student's coursework whether that copying is with or without the knowledge of that student. This includes:
 - copying all or part of someone else's assignment
 - allowing someone else to copy all or part of your assignment
 - providing your assignment (or other materials for an assignment) to another student
 - having someone else do all or part of an assignment for you
 - doing all or part of someone else's assignment for them.
4. Make up data and fabricate results in research assignments.
5. Impersonate someone else in an examination or test, or arrange such impersonation.
6. Use forbidden material in a test or examination, whether in printed or electronic form. For example, attempting to use a non-standard calculator in a restricted calculator examination.

WHY IS IT WRONG?

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of plagiarism. This is wrong because it:

- violates the principle of intellectual and scholarly integrity;
- devalues the grades and qualifications gained legitimately by other students; and
- fails to allow you demonstrate your own understanding of the material.

PREVENTING CHEATING

All students and staff have a responsibility to prevent, discourage and report cheating.

Typically students cheat because they are having difficulty with the unit content, the language of the unit, or both. Cheating and/or plagiarism can be a temptation when students are experiencing difficulty with a heavy workload in the unit and seek to save time by using others' work.

To avoid having students resort to cheating, the University provides many services to help students with their course or to make thoughtful decisions about whether to continue. Within the Division of Economic and Financial Studies, students should first seek assistance from their lecturer. Staff at the Centre for Macquarie English are also an excellent resource for plagiarism questions and language issues. The University also offers help through the Dean of Students or the University Health and Counseling Services.

There is a difference between getting help and cheating. You are encouraged to get help if you need assistance to understand the material and any set work so that you are in a better position to create your own answers. You might also want to have group discussions with your colleagues to debate the different issues surrounding a form of assessment. However the work you submit for your assessment must be in your own words and must not be those of another person.

HOW TO PLAY SAFE

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should *ALWAYS*:

- (i) State clearly in the appropriate form where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set;
- (ii) Acknowledge the people whose concepts, experiments or results you have extracted, developed or summarised, even if you put these ideas into your own words;
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

There is nothing wrong with working with other students in a group; indeed sometimes you will be encouraged to do so. But after a certain point, each student must work on their own to produce their own written answers. If no specific guidelines for group-work have been given, a reasonable interpretation is that it is acceptable for two or more students to discuss a problem among themselves or with a staff member. The group may then agree that the answer should include certain points. But then each member of the group must independently write their own answer to the problem.

PENALTIES

Offences of plagiarism will attract penalties which at a minimum, will result in the deduction of marks for the test and/or assignment, to ultimately a failure in the unit and reference to the University Discipline Committee. The penalty will depend upon the extent of the plagiarism, whether it is a first or repeated offence, whether there is evidence of deliberate deceit and whether advantage has been taken of another student. In some cases this can result in the suspension of the student from enrolment in the university. In all cases however, a record of any offence and/or incident, along with correspondence, will be placed permanently on the students' individual record file held at the university.

ORAL TEAM PRESENTATION

The unit also contains an assessed team presentation worth 10 % of the overall assessment (see Appendix 4). Each team consisting of **four** students is required to prepare a **10 minute (timed)** presentation answering 4 questions (one question per student) on a journal article in the book of readings (See Appendix 5). Marks will be **deducted** for presentations that exceed 10 minutes. **Each student in the team must take part in the oral presentation. You will receive a team mark for the presentation.** You must register your team and nominate your preferred week to your lecturer no later than Week 3. Dates for presentation will be allocated on a first-come, first-serve basis. Presentations will be made in **Weeks 5, 6, 7, 10 and 12.** It is expected that teams will use power point and that a hard copy of the slides (3 per page) will be handed to your lecturer at the beginning of the presentation

REQUIRED READINGS

For the purpose of completing this unit, students should have a copy of both the following prescribed textbooks which are available only at the Coop Bookshop at Macquarie University. **These textbooks contain material which will be examined in Week 3.**

ACCG859 Current Issues in Accounting 4th edition, prepared by Elaine Evans, McGraw-Hill 2006 – **(McGraw-Hill)**

Drever, M., Stanton, P. and McGowan, S. 2007. *Contemporary Issues in Accounting*, Wiley & Sons, Queensland - **(DSM)**

In addition, copies of Readings for Oral Team Presentations ACCG859 Current Issues in Accounting will distributed in Week 2.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services are available at <http://www.student.mq.edu.au>. For easy access to the MAcc website go to <http://www.accg.mq.edu.au/postgraduate/quicklinks>. CME has three workshop streams for MAcc students. Go to <http://accg.mq.edu.au/ss/macc/timetables> for details.

SUMMARY OF UNIT PROGRAM

WEEK	WEDNESDAY	SEMINAR MATERIAL	REQUIRED READINGS
1	21 January	Introduction and theories in accounting	McGraw-Hill Topic I (excluding practical examples) DSM Chapter 1
2	28 January	<i>Class participation in discussion of seminar questions</i> CME Essay Writing Skills	Materials on unit web site
3	4 February	<i>1st in-class essay Theories in Accounting (45 minutes)</i> Australian Conceptual Framework	McGraw-Hill Topic II DSM Chapter 2 http://www.aasb.com.au <i>Framework for the Preparation and Presentation of Financial Statements</i>
4	11 February Workshop this week	<i>Class participation in discussion of seminar questions</i> Regulation & standard setting in accounting: theories, principles and rules	McGraw-Hill Topic III DSM Chapter 3; Chapter 12, pp. 366-9
5	18 February <i>Oral team presentations</i>	<i>Class participation in discussion of seminar questions</i> International Financial Reporting Standards	McGraw-Hill Topic IV DSM Chapter 8
6	25 February <i>Oral team presentations</i> ■■■■■■■■■■	<i>Class participation in discussion of seminar questions</i> Corporate Collapse and Creative Accounting	McGraw-Hill Topic V DSM Chapter 5; Chapter 12, pp. 379-380
7	4 March <i>Oral team presentations</i>	<i>Class participation in discussion of seminar questions</i> Ethics in Accounting	McGraw-Hill Topic VI DSM Chapter 11
8	11 March	<i>Class participation in discussion of seminar questions</i> 2 nd in-class essay Weeks 4-7 (one hour)	
9	<u>18 March</u>	Judgment and Measurement: Share-based payments; biological and heritage assets; general insurance	McGraw-Hill Topics VII and IX DSM Chapter 4
10	<u><u>25 March</u></u> <i>Oral team presentations</i> Research	<i>Class participation in discussion of seminar questions</i> CLERP 9 and Corporate Governance	McGraw-Hill Topic VI DSM Chapter 6 Additional materials available on unit of study website: "The BDW Guide to CLERP 9"

	Argument submitted at start of enrolled class		“PWC CLERP 9 disclosures Leo et al (2007) ‘Fundamental concepts of corporate governance for accountants’, Chapter 12 in <i>Company Accounting</i> , Seventh Edition, Wiley
11	1 April	<i>Class participation in discussion of seminar questions</i> Corporate Social Responsibility Reporting	McGraw-Hill Topic VIII DSM Chapter 7; Chapter 12, pp. 369-375
12	8 April <u>Oral team presentations</u>	<i>Class participation in discussion of seminar questions</i> Revision and exam preparation	

Schedule of classes:

Wednesday 12 noon – 3 pm E7B200
 3 pm – 6 pm C5A4304
 3 pm – 6 pm C4A318
 6 pm – 9 pm C4A318
Friday 12 noon – 3 pm C5A301

APPENDIX 1 (ATTACH TO RESEARCH ARGUMENT)

ACCG859 CURRENT ISSUES IN ACCOUNTING 2009

FEEDBACK ON RESEARCH ARGUMENT

Name:

Student Number:

Line of argument: /15

- Does your essay fully address the question?
- Is the line of argument clearly stated in an introduction?
- Are the facts used to support your argument accurate?
- Have you used relevant examples/evidence to develop your argument?
- Does the argument move towards a view-point in a persuasive way?

Clarity of structure: /7.5

- Does the introduction preview the content of your research argument?
- Are the paragraphs linked in a clear and logical way?
- Does the conclusion present an appropriate "round-up" of the issues that have been discussed?

Referencing: /4.5

- How up-to-date are your resources?
- Have you cited your references correctly?
- Are your references comprehensive?

Presentation: /3

- Is the research argument formatted according to the guidelines in the unit outline?
- Grammar, sentence structure, punctuation, spelling

Scaled /30
/15

Less: Penalty for words in excess of 1,000:

1,100 < 1,200 -.5

>1,200 -1

Total mark /15

APPENDIX 2
ACCG859 CURRENT ISSUES IN ACCOUNTING
FEEDBACK ON 1st IN-CLASS ESSAY

Name:

Student Number:

CONTENT

Line of argument:

/10

- Does your essay fully address the question?
 - Is the line of argument clearly stated in an introduction?
 - Are the facts used to support your argument accurate?
 - Have you used relevant examples/evidence to develop your argument?
 - Does the argument move towards a view-point in a persuasive way?
-

LANGUAGE

Clarity of structure:

/6

- Does the introduction preview the content of your essay?
- Are the paragraphs linked in a clear and logical way?
- Does the conclusion present an appropriate "round-up" of the issues that have been discussed?

Written Expression:

/4

- Appropriate style
- Grammar, sentence structure, punctuation, spelling
- Readability of writing

/20

Scaled

/10

APPENDIX 3
ACCG859 CURRENT ISSUES IN ACCOUNTING
FEEDBACK ON 2nd IN-CLASS ESSAY

Name:

Student Number:

TECHNICAL CONTENT

/10

- Does your essay fully address the question?
- Is the line of argument clearly stated in an introduction?
- Are the facts used to support your argument accurate?
- Have you used relevant examples/evidence to develop your argument?
- Does the argument move towards a view-point in a persuasive way?

STRUCTURE

/5

Does the introduction preview the content of your essay?

Are the paragraphs linked in a clear and logical way?

Does the conclusion present an appropriate "round-up" of the issues that have been discussed?

Is the writing readable and are the sentences structured clearly?

/15

APPENDIX 4
ACCG859 Current Issues in Accounting

Feedback on Oral Team Presentation¹

Students are advised presentations that exceed 10 minutes will not satisfy the performance criteria for this assessment task and be marked down. The following performance criteria has been adapted from CME

Student Names and Numbers:

Your presentation will be assessed using the following criteria:

- . • How well you structure your material
- . • How effective you answer the set questions
- . • How clearly you express those key points to the class
- . • How well you keep the attention of the class
- . • How you make the transition from one speaker to the next
- . • How well you communicate (pronunciation, use of voice, energy and emphasis)
- . • How well you use your power point slides
- . • How clear and concise is your summary

Strengths of your team's presentation are:

Areas to work on are:

Overall comments:

Team Mark: 1 2 3 4 5 6 7 8 9 10¹

APPENDIX 5

QUESTIONS FOR ORAL TEAM PRESENTATIONS

The booklet of readings contains ten journal articles. The presentations will take place in Weeks 5, 6, 7, 10 and 12. The booklet will be distributed in Week 2. You must form a team of four and choose the week in which you prefer to present. Then you should register your team and your week/article with your lecturer in Week 3 via email. Each article will only be presented once, so your lecturer may have to change your preference. Register early to avoid disappointment.

There are a number of learning objectives for you:

1. to work in a team;
2. to study an academic article in depth;
3. to understand the article; and
4. to explain it to your fellow students.

The following questions must be answered in your presentation:

1. What is the authors' main aim in writing the article and what motivated them to write the article? (Was there a problem they wanted to investigate?)
2. What are the three most important things that the authors want you to understand?
3. What did you find difficult to understand?
4. What are three important conclusions that come from the article?

WEEK 1

INTRODUCTION AND OVERVIEW OF ACCOUNTING THEORIES

Readings for this week's lecture

McGraw-Hill Topic I

DSM Chapter 1

You should read this unit outline very carefully. It contains important information about this unit and it will be assumed that you understand this information. If anything is unclear, please contact Louise Luff.

When reading the material from McGraw Hill, please do not spend any time on the practical examples of changing prices. Also make sure you are familiar with the general contents as you will be returning to the detailed theory over the whole of the trimester. Do not attempt to read this topic at one sitting. Read it over several days so that you will not be overwhelmed by it!

WEEK 2

Seminar Discussion Questions from Week 1 – written answers are expected

1. Briefly explain what is meant by the term 'theory' and explain how theory is useful in a study of accounting.
2. Explain the differences between normative and positive theories of accounting. Discuss reasons why there is no unified theory of accounting.
3. What are some of the major strengths and weaknesses of historical cost accounting? Why does historical cost accounting survive?
4. How does agency theory help to explain and predict the accounting policy choices made by management?
5. Discuss the owner-manager contracts explained by PAT.
6. Explain the role of research in accounting and how this relates to accounting theory.

CME ESSAY WRITING SKILLS

WEEK 3
IN CLASS ESSAY ON THEORIES IN ACCOUNTING

AUSTRALIAN CONCEPTUAL FRAMEWORK

Readings for this week's lecture

McGraw-Hill Topic II

DSM Chapter 2

<http://www.aasb.com.au>

Framework for the Preparation and Presentation of Financial Statements

This week there are no seminar discussion questions. However, make sure that you read the prescribed textbooks and the *Framework* to enhance your understanding of the material.

1ST IN-CLASS ESSAY is based on the material from the lecture, in the McGraw Hill custom publication and DSM. Do not limit your preparation to the questions discussed in last week's seminar.

WEEK 4

**REGULATION & STANDARD SETTING IN ACCOUNTING:
THEORIES, PRINCIPLES AND RULES**

Readings for this week's lecture

McGraw-Hill Topic III

DSM Chapter 3; Chapter 12, pp. 366-9

Seminar Discussion Questions from Week 3 – written answers are expected

- a) What advantages or benefits have been advanced by standard-setters to support the development of conceptual framework projects? Do you agree that in practice such benefits will be achieved?
- b) Why is it important for the *Framework* to give definitions and recognition criteria for the five elements of financial statements?
- c) DSM, p. 52, 2.14
- d) In your opinion, and in your own words, what is the reason for having general purpose financial reports?
- e) DSM, p. 53, 2.19
- f) DSM, p. 51, 2.12

CME WORKSHOP

WEEK 5

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Readings for this week's lecture

McGraw-Hill Topic IV

DSM Chapter 8

Oral team presentations (Regulation and standard setting)

Seminar Discussion Questions from Week 4 – written answers are expected

- a) Evaluate some of the arguments for and against the regulation of financial accounting.
 - b) Deegan (2006) (in McGraw-Hill) and DSM outline theories of regulation. Discuss the theories and evaluate their application to standard setting process in Australia.
 - c) Deegan (2006) (in McGraw-Hill) and DSM claim that standard setting is a political process. What do you think this means?
 - d) DSM p. 82, 3.14
 - e) DSM p. 82, 3.9
 - f) DSM, p. 82, 3.11
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WEEK 6

CORPORATE COLLAPSE AND CREATIVE ACCOUNTING

Readings for this week's lecture

McGraw-Hill Topic V

DSM Chapter 5; Chapter 12, pp. 379-380

Oral team presentations (International Financial Reporting Standards)

Seminar Discussion Questions from Week 5 – written answers are expected

- a) Why do accounting and reporting principles differ throughout the world?
- b) What benefits are gained from establishing international accounting standards? What obstacles stand in the way of international standards/
- c) How will the IASB enforce international standards?
- d) The IASB's objective is to develop global accounting standards in the public interest. In a global context what does 'public interest' mean and how can it be determined?
- e) DSM pp. 84-6, Case study 3.1
- f) DSM pp. 261-2, Case study 8.2

WEEK 7

ETHICS IN ACCOUNTING

Readings for this week's lecture

McGraw-Hill Topic VI

DSM Chapter 11

Oral team presentations (Corporate collapse and creative accounting)

Seminar Discussion Questions from Week 6 – written answers are expected

Questions from McGraw-Hill

- a) In what areas of accountancy has there always been a need for subjective judgment and scope for creative accounting?
- b) In what ways can accounting standards be improved to restrict creative accounting?
- c) In what areas is it particularly difficult to restrict creative accounting?

Questions from DSM

- a) Define earnings management. Do you consider it to be good or bad? Why?
- b) Research the causes of the collapse of Harris Scarfe. How was creative accounting implicated in the collapse?

WEEK 8

Seminar Discussion Questions from Week 7 – written answers are expected

1. Questions from McGraw-Hill pp. 447-459 ‘The Collapse of Enron’

One of these questions will be allocated to each student to prepare and present a written answer.

- a) Who were the key stakeholders involved in, or affected by, the collapse of Enron? In what ways did shareholders benefit from Enron’s actions? In what ways were shareholders harmed?
- b) Looking at the evidence, what do you believe were the internal and external causes of Enron’s collapse? What factor/s most contributed to the collapse?
- c) Was Watkins justified in taking the actions she did? Why/why not? Do you think there is anything more that Watkins should or could have done to blow the whistle?
- d) In reviewing the actions of Enron’s accountants, Arthur Andersen, do you see any reasons to believe the accounting firm acted unethically? If so, how? If not, why not?
- e) How would you describe Enron’s corporate culture? Was the culture created by Enron’s top executives partly to blame for what went wrong at Enron?
- f) In what ways might the behaviour of various top executives at Enron foster a disregard for ethical standards in the actions of other Enron employees?
- g) Is there reason to be concerned about Enron’s participation in the political process and the contributions it made to various politicians?
- h) How well did Enron’s board fulfil its responsibilities? Why do you suppose the board did not do a better job?
- i) Was the compensation received by Lay and Skilling justified? Do you believe that the structure of executive compensation contributed in any way to the collapse of Enron?

2. Questions from DSM

On pp. 354-8 there are 35 application questions. One of these questions will be allocated to the remaining students (that is to those not answering a questions in relation to Enron). A prepared written answer to present to the class is expected

2ND IN CLASS ESSAY

WEEK 9
**JUDGEMENT AND MEASUREMENT: SHARE-BASED PAYMENT;
BIOLOGICAL AND HERITAGE ASSETS; GENERAL INSURANCE**

Readings for this week's lecture

McGraw-Hill Topics VII and IX
DSM Chapter 4

This week there are no specific seminar discussion questions from last week.

WEEK 10
CLERP 9 AND CORPORATE GOVERNANCE

Readings for this week's lecture

McGraw-Hill Topic VI
DSM Chapter 6

Additional materials available on unit of study website

- “The BDW Guide to CLERP 9”
- “PWC CLERP 9 disclosures
- Leo et al (2007) ‘Fundamental concepts of corporate governance for accountants’, Chapter 12 in *Company Accounting*, Seventh Edition, Wiley

Oral team presentations (Judgement and Measurement)

Seminar Discussion Questions from Week 9 – written answers are expected

1. Questions from DSM Chapter 4

- a) What is the difference between accuracy and reliability in measurement?
- b) Explain what is meant by ‘subjective value’ and how it differs from discounted present value.
- c) It is often argued that cost and value are different concepts. Are they? How do they interrelate?

2. Questions from McGraw-Hill

- a) What are the professional judgments issues for accountants when measuring biological assets and heritage assets?
- b) Why do biological assets need their own accounting standard?
- c) Should heritage assets have their own accounting standard?

**RESEARCH ARGUMENT DUE AT COMMENCEMENT OF ENROLLED
CLASS TIME**

WEEK 11

CORPORATE SOCIAL RESPONSIBILITY REPORTING

Readings for this week's lecture

McGraw-Hill Topic VIII

DSM Chapter 7; Chapter 12, pp. 369-375

Seminar Discussion Questions from Week 10 – written answers are expected

1. Questions from McGraw-Hill and DSM

- a) Describe the impact of good and bad corporate governance on the various stakeholders.
- b) Executives should be paid on the basis of their performance measures. They should not be paid a salary. Explain why you agree or disagree with this statement.
- c) Is it the role of the board to promote values and ethics within an organisation? If not the board, then whose role is it?
- d) 'Any corporate governance system is only as good as the people involved in it.' Discuss this statement.

2. Questions from Leo et al 2007 'Fundamental concepts of corporate governance for accountants'

Case Studies 1 and 2, pp. 602-3

WEEK 12
REVISION AND EXAM PREPARATION

Oral team presentation (Corporate social responsibility reporting)

Seminar Discussion Questions from Week 11 – written answers are expected

2. Questions from McGraw-Hill

- a) Why do you think that the accounting profession has generally not released any accounting standards pertaining to the disclosure of environmental information?
- b) Of what relevance to the accounting profession is sustainable development?
- c) What implications would a failure to provide balanced, unbiased environmental performance data have for the perceived credibility of the other information provided in an annual report?
- d) Q9.26, p. 590.

3. Questions from DSM

- a) p. 146 Case study 5.2, parts 1, 2 and 3.
- b) p. 219, 7.7