ACCG926
Corporate Accounting
Session 2, 2012

Department of Accounting and Corporate Governance
Year and Session: Session 2, 2012

Unit convenor: James Lau

Prerequisite: ACCG923 or ACCG862

Credit points: 3

Students in this unit should read this unit guide carefully at the start of session. 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

- ACCG926 is the third unit in the financial accounting sequence of units within the Masters of Accounting (Professional), following on from ACCG923 or ACCG862, which is a pre-requisite. ACCG926 is a core unit of study for students intending to study the further programs offered by CPA Australia or the Institute of Chartered Accountants in Australia.

- This unit focuses on the accounting issues that pertain to the corporate form of organisation operating in the private sector. It includes an examination of the framework for regulating corporate financial reporting in Australia, as well as an in-depth study of the requirements for the preparation of financial statements for a group of companies operating under common control.

- Students successfully completing this unit will be awarded 3 credit points.

TEACHING STAFF

Unit convenor: James Lau
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Lecturer: Emma Holmes
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Phone: 0400 839 930

Lecturer: Leisa Henness
E-mail: lhenness@optusnet.com.au
Phone: 0413 809 927
CONSULTATION TIMES

The consultation timetable will be available on iLearn in week 2. All lecturers are available for consultation starting from week 3. However, consultation during the mid-session break will not be available.

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct consultations by email. You may, however, phone staff during their consultation hours.

In order to gain access to staff located at levels 1, 2 and 3 of building E4A during their consultation hours please ring the staff member from the phones available in the lobby (phone numbers of relevant staff members are available next to these phones and also provided on iLearn).

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

CLASSES

This unit offers one 3 hour class per week as follows:

- Monday 9am-12pm C5A 301 Emma Holmes
- Monday 3pm-6pm C4A 318 Emma Holmes
- Thursday 9am-12pm C4A 318 Leisa Henness
- Thursday 12pm-3pm C5A 301 Leisa Henness
- Thursday 6pm-9pm C5A 304 Leisa Henness

The timetable for classes can be found on the University web site at: http://www.timetables.mq.edu.au/

You MUST attend only the class in which you are enrolled. In the event that you have to attend an alternative class for a particular week you are required to notify your lecturer in advance of attending the alternate class.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed texts

1. Leo, Hoggett and Sweeting, Company Accounting, 9th ed. John Wiley & Sons Australia Ltd, 2012

2. Two additional chapters will be used from Picker, Leo, Loftus, Clarke and Wise, Australian Accounting Standard, 2nd ed. John Wiley & Sons Australia Ltd, 2009. (These chapters will be made available to you on iLearn).
TECHNOLOGY USED AND REQUIRED

Students will need access to Microsoft Excel, Word and Powerpoint to enable completion of various assessment tasks throughout the session.

UNIT WEB PAGE

Unit materials, suggested solutions, announcements and other relevant information are found on iLearn for the unit at: http://ilearn.mq.edu.au.

Students are expected to visit the unit webpage on a regular basis.

LEARNING OUTCOMES

The learning outcomes of this unit are:

1. To be able to prepare consolidated financial statements
2. Identify relevant disclosures in an entity’s consolidated financial report.
3. Account for investments in foreign operations
4. Determine and apply the appropriate accounting treatment for investments in associates
5. Determine and apply the appropriate accounting treatment for interests in joint ventures
6. Compare and contrast the consolidation, equity and joint venture methods of accounting

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world. This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Problem Solving and Research Capability
3. Effective Communication
4. Capable of Professional and Personal Judgement and Initiative

TEACHING AND LEARNING ACTIVITIES

- Page 12 of this unit guide contains a list of the topics that will be covered in classes over the duration of the session. Also included are details of weekly readings, weekly homework questions and additional self-study questions.
Class structure

- Each session will involve a tutorial segment, discussing assigned weekly homework questions from the previous week. The session will then continue with a lecture covering the next topic.

- You are not required to have completed the weekly reading prior to attending the weekly lecture. However, the content within the readings is examinable and you are expected to have completed the readings prior to attempting relevant assessment tasks.

Weekly homework questions (mandatory)

- You are required to prepare solutions to the weekly homework questions prior to attending the following class. As solutions to selected weekly homework questions will be discussed in class, this gives you an opportunity to discuss any problems or difficulties you are experiencing with the subject content.

- Solutions to weekly homework questions will be placed online (ilearn.mq.edu.au) on Friday afternoon.

Additional self-study questions (optional)

- Solutions to additional weekly self-study questions for all weeks will be placed on iLearn on Friday afternoon. For theory questions, brief summaries are included in the solutions to add to your own work and notes from discussion in the session.

In class case studies

Solutions to the in class case studies will be discussed in classes but will not be posted online.

Communication skills

To assist students in developing their communication skills a session will be run during normal class time by representatives from CME during the week commencing 3 September.

This session will be focussed on the preparation and delivery of group based presentations. The session will be interactive and attendance is compulsory for all students. Material covered in this session will be assessed as part of the assessable group presentations.

Research and Practice

- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research
The assessment for the unit will consist of the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) Assessed coursework</td>
<td>16</td>
</tr>
<tr>
<td>ii) Class tests</td>
<td>24</td>
</tr>
<tr>
<td>iii) Presentation</td>
<td>10</td>
</tr>
<tr>
<td>iv) Final examination</td>
<td>50</td>
</tr>
</tbody>
</table>

The following table sets out a link between the learning outcomes and graduate capabilities provided earlier in this unit outline and the assessment tasks detailed above:

<table>
<thead>
<tr>
<th>Learning outcomes assessed</th>
<th>Assessed Coursework</th>
<th>Class Tests</th>
<th>Presentation</th>
<th>Final examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>4</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>5</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>6</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduate capabilities assessed</th>
<th>Assessed Coursework</th>
<th>Class Tests</th>
<th>Presentation</th>
<th>Final examination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>3</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
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<tr>
<td>4</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Specific details of each assessment tasks are provided on the following pages.
i) Assessed Coursework (16%)

**Date:** various (refer below for details)

<table>
<thead>
<tr>
<th>Task #</th>
<th>Topics covered</th>
<th>%</th>
<th>Due date</th>
<th>Feedback available</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>2 &amp; 3</td>
<td>2</td>
<td>25 August (Sat) 10pm</td>
<td>30 August (Thur)</td>
</tr>
<tr>
<td>II</td>
<td>4 &amp; 5</td>
<td>2</td>
<td>8 September (Sat) 10pm</td>
<td>13 September (Thur)</td>
</tr>
<tr>
<td>III</td>
<td>7 &amp; 8</td>
<td>2</td>
<td>27 October (Sat) 10pm</td>
<td>1 November (Thur)</td>
</tr>
<tr>
<td>IV</td>
<td>1 – 5</td>
<td>5</td>
<td>15 September (Sat) 10pm</td>
<td>18 September (Tue)</td>
</tr>
<tr>
<td>V</td>
<td>6 – 8</td>
<td>5</td>
<td>3 November (Sat) 10pm</td>
<td>6 November (Tue)</td>
</tr>
</tbody>
</table>

**Tasks I – III:** These are excel based tasks. During the session, you will be required to complete and submit 3 computer (excel) based tasks. Detailed information on how to complete and submit these tasks will be provided to you in week 1 of lectures.

A penalty of 25% per day (or part thereof) for late submission will be applied to each task. Any task submitted more than 4 days late will receive a mark of zero.

Results and individual feedback will be provided by e-mail for each task by the dates specified above.

**Tasks IV and V:** These are online based tasks. Throughout the session there will be two online based tasks. These tasks will be computer based (accessed from iLearn) with multiple choice questions.

ii) Class tests (24%)

**Date:** During class time in the weeks commencing Monday **10 September** and Monday **29 October**.

Throughout the session there will be two class tests. The purpose is to give you a focus for your study and to give you timely feedback on your performance. The tests will be closed book, answered under examination conditions and of examination standard. **You must sit for the test in your registered class** and there is no supplementary test if you are absent. Result of the class tests will be placed on iLearn.

**Class test I** will be held during class time in the week commencing Monday **10 September**. The test will cover material in **topics 1 to 5** and it is worth **12%**.

**Class test II** will be held during class time in the week commencing Monday **29 October**. The test will cover material in **topics 6 to 8** and it is worth **12%**.
iii) Presentation (10%)

*Date:* During class time in the week commencing Monday *5 November*.

Students will be allocated into *groups* based on class lists current as at Friday 31 August. Details of the group that you have been allocated to and the week that your group will be presenting will be posted onto the website on Monday 3 September.

Detailed requirements for all group presentations including duration of your presentation, written materials required to be submitted to accompany your presentation etc will also be posted on the website at that time.

A mark will be awarded to each group and individual feedback for the group presentations will be provided in the final week of class.

iv) Final examination (50%)

*Date:* To be held during the University Examination period between 12 November and 30 November 2012.

A final examination is included as an assessment task for this unit to provide assurance that:

i) the product belongs to the student and
ii) the student has attained the knowledge and skills tested in the exam.

A 3 hour final examination for this unit will be held during the University Examination period. This examination will examine *material covered in topics 1 to 9*. The examination will comprise of a number of written questions as well as multiple choice questions.

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://exams.mq.edu.au/](http://exams.mq.edu.au/)

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. The University’s policy on special consideration process is available at: [http://www.mq.edu.au/policy/docs/special_consideration/policy.html](http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

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.

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: [http://www.mq.edu.au/policy/docs/examination/policy.html](http://www.mq.edu.au/policy/docs/examination/policy.html)
Time commitment

Your commitment to this unit should entail approximately 135 hours throughout the session. An estimate of the amount of time that each task should take is shown in the following table:

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Total hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly class attendance (3 hrs per week)</td>
<td>39</td>
</tr>
<tr>
<td>Weekly study, preparation of tutorial homework (3 hrs per week)</td>
<td>39</td>
</tr>
<tr>
<td>Assessed coursework</td>
<td>17</td>
</tr>
<tr>
<td>Class tests preparation</td>
<td>10</td>
</tr>
<tr>
<td>Presentation</td>
<td>10</td>
</tr>
<tr>
<td>Final examination preparation</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>135</td>
</tr>
</tbody>
</table>

**ACADEMIC HONESTY**

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at [http://www.mq.edu.au/policy/docs/academic_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)
GRADES

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction
D - Distinction
CR - Credit
P - Pass
F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

All final grades in the Department of Accounting and Corporate Governance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Students will be awarded one of these grades plus a Standardised Numerical Grade (SNG). The SNG is not necessarily a summation of the individual assessment components.

The final grade and SNG that are awarded reflect the corresponding grade descriptor in the Grading Policy.

In addition, there is a requirement to pass the final examination to be awarded a final grade of a Pass or a higher grade.

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

However, special consideration will only be approved to students who have satisfactory performance in this unit. Satisfactory performance means that students must achieve at least 50% in their
coursework. If the criterion is not met in an application for special consideration subsequently, it will be rejected as ‘Invalid’.

**STUDENT SUPPORT SERVICES**

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at [http://www.student.mq.edu.au](http://www.student.mq.edu.au).

**IT CONDITIONS OF USE**

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. At all times, student ID cards must be displayed in the locations provided.

Students are expected to act responsibly at all times when utilising University IT facilities. The following regulations apply to the use of computer labs and online services:

- Accessing inappropriate web sites, or downloading inappropriate material, are not permitted, material that is not related to coursework in units authorised to use these facilities is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may possibly result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.
<table>
<thead>
<tr>
<th>Week commencing Monday</th>
<th>Topic</th>
<th>Readings</th>
<th>MANDATORY questions</th>
<th>OPTIONAL self-study questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 July</td>
<td>Intro Consol. I – the consolidation method</td>
<td>Leo: Ch. 15 (excl 15.4)</td>
<td>Review qu: 4, 5, 6</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case studies: 2, 6, 12</td>
<td></td>
</tr>
<tr>
<td>6 August</td>
<td>Consol. II – wholly owned subsidiaries</td>
<td>Leo: Ch. 16 (excl 16.8)</td>
<td>Review qu: 1, 2, 4, 8, 9</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case studies: 4</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Practice qu: 16.14, 16.15</td>
<td></td>
</tr>
<tr>
<td>13 August</td>
<td>Consol. III - Intra-group transactions</td>
<td>Leo: Ch. 17</td>
<td>Review qu: 2, 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case studies: 1, 2</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Practice qu: 17.12, 17.14</td>
<td></td>
</tr>
<tr>
<td>20 August</td>
<td>Consol. IV – Non-controlling interests Task I due this week</td>
<td>Leo: Ch. 18</td>
<td>Review qu: 5, 8</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case studies: 1, 3</td>
<td></td>
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<td></td>
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<td></td>
<td>Practice qu: 18.14, 18.15</td>
<td></td>
</tr>
<tr>
<td>27 August</td>
<td>Consol. V – Indirect ownership interests</td>
<td>Leo: Ch. 19 (excl 19.4, 19.5)</td>
<td>Review qu: 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Case studies: 2</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Practice qu: 19.8, 19.12</td>
<td></td>
</tr>
<tr>
<td>3 September</td>
<td>CME presentation session Task II due this week</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 September</td>
<td>Class test I and Task IV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 October</td>
<td>Translation of foreign currency financial statements and accounting for foreign subs</td>
<td>Picker: Ch. 27 (excl 27.6 &amp; 27.11)</td>
<td>Prob: 27.2</td>
<td>Discussion qu: 13, 15, 18</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Exercises: 27.2, 27.5</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Problems: 27.1, 27.3, 27.4</td>
<td></td>
</tr>
<tr>
<td>8 October</td>
<td>Equity accounting</td>
<td>Leo: Ch. 20 (excl 20.6.2 and 20.8)</td>
<td>Practice qu: 20.6, 20.11</td>
<td>Review qu: 3, 7, 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Case studies: 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Practice qu: 20.5, 20.7, 20.8</td>
</tr>
<tr>
<td>15 October</td>
<td>Joint ventures</td>
<td>Picker: Ch. 29 (excl 29.8 and 29.9)</td>
<td>Prob: 29.4</td>
<td>Discussion qu: 3, 4</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>Exercises: 29.6, 29.8</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Problem: 29.5</td>
</tr>
<tr>
<td>22 October</td>
<td>In class Case Study – Fast Air Pty Ltd Task III due this week</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>29 October</td>
<td>Class test II and Task V</td>
<td></td>
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<tr>
<td>5 November</td>
<td>Group presentation</td>
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</tbody>
</table>

Refer to the following page for additional information relating to homework questions (where annotated i, ii, iii etc).
Leo: Company Accounting, 9th edition textbook
Picker: Australian Accounting Standard, 2nd edition textbook
Additional information relating to homework questions

i Practice Question 17.12 – Ignore the words “in the consolidation worksheet” after the comment Ella wrote goodwill down by $1,500.

ii Practice Question 17.14 – Ignore the comments in additional information (a) which says “(incl. $50 previous period sales)”.

iii Practice Question 19.12 – The paragraph relating to inventory should say that all inventory on hand as at 1 July 2012 was sold by 30 June 2013.

iv Exercise 27.5 – The cost of acquisition should read $977,400, NOT $997,400.

v Problem 27.4 – Additional info 1. – Please amend the comment re the inventory to state that all inventory was sold by June 2011, rather than July 2011. In addition there should be a rate for the average for the second half of the year = 1.60.

vi Problem 29.5 – you should assume that all inventory distributed to the venturers has been sold by 30 June 2011.