



**GRADUATE ACCOUNTING AND COMMERCE CENTRE**

**DIVISION OF ECONOMIC AND FINANCIAL STUDIES**

**ACCG872 ADVANCED FINANCIAL  
REPORTING**

Student Resource Centre  
Division of Economic & Financial Studies  
MACQUARIE UNIVERSITY

**UNIT OUTLINE**

**Semester 1 - 2005**

## **ACCG872 ADVANCED FINANCIAL REPORTING**

### **Semester 1 - 2005**

#### **Unit Description**

This is an advanced unit in financial reporting. It deals with conceptual and technical aspects of preparing external financial reports for Australian reporting entities. Knowledge of financial accounting theory is assumed. The emphasis in the unit is on interpreting, evaluating and applying the detailed requirements of a large number of Australian accounting standards. The accounting standards examined are the Australian equivalent of International Financial Reporting Standards (IFRS). Attention is given to Australia's transition to IFRS in 2005, and the *Framework for the Preparation and Presentation of Financial Reports* that underlies the IFRS.

#### **Learning Objectives**

- (i) To understand and be able to apply the detailed technical requirements of the Australian accounting standards (equivalent to IFRS) covered in the unit.
- (ii) To gain an appreciation of some of the issues and processes involved in adopting accounting standards equivalent to IFRS.
- (iii) To gain an appreciation of the strengths and weaknesses of the accounting standards covered in the unit from the points of view of both preparers and users of financial reports.
- (iv) To provide opportunities, in weekly assignments and in class, for students to develop generic skills such as independent work, problem solving, critical thinking and discussion skills.

#### **Assumed Knowledge**

To undertake ACCG872 students must have completed a bachelor degree with a major in accounting.

Please note that where CPA Australia requires students to complete financial accounting units prior to undertaking the CPA program the appropriate units are those contained in the Postgraduate Diploma in Accounting/Master of Accounting Program. ACCG872 is not designed for this purpose.

#### **Text books**

Accounting Handbook 2005 (Australian accounting standards, issued by the Australian Accounting Standards Board. *ACCG872 requires close and careful reading of these standards.*)

Deegan, C., **Australian Financial Accounting**, 4th edition, McGraw-Hill Irwin, 2005.

It is also recommended that students have access to a copy of the Australian Corporations and Securities Legislation, 2005.

### Teaching Format

The unit is conducted on a seminar basis. For each seminar, students are required to have read the set references and to have prepared written answers to all questions in the weekly assignment. Assignments are viewed as a major part of the learning process and are the focus of the seminars. The seminars provide a forum for students to raise problems or difficulties they may be having with the topic material. Assignments will be collected each week and their completion noted. All students are expected to participate in class discussions.

### Method of Assessment

	%
Assignments:	
two marked assignments	10
all other assignments	5
Participation	10
Examination	<u>75</u>
	<u>100</u>

Students should note that it is a requirement of the unit that they submit a minimum of eight weekly assignments on time and attend a minimum of nine seminars. Failure to meet this requirement may result in a Fail grade.

Irrespective of accumulated marks, students are required to perform satisfactorily in the examination to gain a passing grade in the unit. More details on the form and scope of the examination will be given towards the end of the semester. Note that the best preparation for the examination is completion of the weekly assignments and discussion of assignment questions and associated issues in seminars. Translation dictionaries are not permitted in examinations.

### Macquarie University Rules

All assessment is subject to the University's rules and information to students set out in the 2005 Calendar.

### Teaching Staff

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## TOPIC LIST

WEEK	DATE	TOPIC
1	Feb 28/ Mar 1	Introduction
2	Mar 7/8	Financial Reporting in Australia, and International Financial Reporting Standards (AASB1 <i>First-time adoption of Aust-IFRS</i> , AASB Framework; AASB1031 <i>Materiality</i> )
3	Mar 14/15	Presentation of Financial Statements – Income Statement, Balance Sheet (AASB101, AASB108)
4	Mar 21/22	Property, Plant and Equipment (AASB116) Impairment of Assets (AASB136)
	Mar 28	<b>Easter Monday holiday</b>
5	Apr 4/5	Inventories (AASB102) Exploration & Evaluation of Mineral Resources (AASB6)
6	Apr 11/12	Construction Contracts (AASB111)
	Apr 18/19	<b>Recess</b>
	Apr 25/26	<b>Recess</b>
7	May 2/3	Income Taxes (AASB112)
8	May 9/10	Leases (AASB117)
9	May 16/17	Employee Benefits (AASB119)
10	May 23/24	Provisions, Contingent Liabilities and Contingent Assets (AASB137)
11	May 30/31	Events after Balance Sheet Date (AASB110) Related Party Disclosures (AASB124)

**EXAMINATION:** Sunday 12 June 9.30am to 12.40pm in C5A 226 and C5A 229. Please ensure you arrive at the examination room by 9.20am.

<b>WEEK</b>	<b>DATE</b>	<b>TOPIC AND READING</b>
1	Feb 28/Mar1	<b>Introduction</b>
2	Mar 7/8	<p><b>Financial Reporting in Australia and International Financial Reporting Standards, Conceptual Framework, and Materiality</b></p> <p>Deegan, 4<sup>th</sup> edition, Chapter 1</p> <p>Dodd, C. and Sheehan, V., "The business impacts of IFRS", <b>CACCharter</b>, February 2004, pp.66 – 67</p> <p>Millanta, B. and Knapp, J., "Is ED60 the way?", <b>Charter</b>, November 1994, pp. 78 – 81</p> <p><i>AASB Framework for Preparation &amp; Presentation of Financial Statements</i></p> <p><i>AASB1 First-time Adoption of Australian International Financial Reporting Standards</i></p> <p><i>AASB1031 Materiality</i></p>
3	Mar 14/15	<p><b>Presentation of Financial Statements – Income Statement and Balance Sheet</b></p> <p><i>AASB101 Presentation of Financial Statements</i></p> <p><i>AASB108 Accounting Policies, Changes in Accounting Estimates and Errors</i></p> <p>Deegan, 4<sup>th</sup> edition, Chapters 3 and 16</p>
4	Mar 21/22	<p><b>Property, Plant and Equipment</b></p> <p><i>AASB116 Property, Plant and Equipment</i></p> <p><i>AASB136 Impairment of Assets</i></p> <p>Deegan, 4<sup>th</sup> edition, Chapter 5</p>

- 5            Apr 4/5        **Inventories**  
**Exploration & Evaluation of Mineral Resources**  
  
                         *AASB102 Inventories*  
  
                         *AASB6 Exploration & Evaluation of Mineral Resources*  
  
                         Deegan, 4<sup>th</sup> edition, Chapters 6 and 19
- 6            Apr 11/12      **Construction Contracts**  
  
                         *AASB111 Construction Contracts*  
  
                         Deegan, 4<sup>th</sup> edition, Chapter 15
- 7            May 2/3        **Income Taxes**  
  
                         *AASB112 Income Taxes*  
  
                         Deegan, 4<sup>th</sup> edition, Chapter 17
- 8            May 9/10      **Leases**  
  
                         *AASB117 Leases*  
  
                         Deegan, 4<sup>th</sup> edition, Chapter 10
- 9            May 16/17     **Employee Benefits**  
  
                         *AASB119 Employee Benefits*  
  
                         Deegan, 4<sup>th</sup> edition, Chapter 12
- 10          May 23/24     **Provisions, Contingent Liabilities and**  
**Contingent Assets**  
  
                         *AASB137 Provisions, Contingent Liabilities and*  
*Contingent Assets*  
  
                         Deegan, 4<sup>th</sup> edition, Chapter 9, pp.343 - 352

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May 30/31

**Events after Balance Sheet Date  
Related Party Disclosures**

*AASB110 Events after Balance Sheet Date*

*AASB124 Related Party Disclosures*

Deegan, 4<sup>th</sup> edition, Chapters 22 and 24

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THE STAPLES