

MACQUARIE UNIVERSITY



**POSTGRADUATE DIPLOMA
IN ACCOUNTING
and
MASTER OF ACCOUNTING**

UNIT OUTLINE

ACCG862 FINANCIAL ACCOUNTING

Trimester 1 2008

ACCG862 FINANCIAL ACCOUNTING

UNIT OUTLINE - TRIMESTER 1 2008

Unit Description

ACCG862 Financial Accounting focuses on accounting for companies. It emphasises the development of a conceptual understanding of financial accounting in addition to accounting procedures. The course seeks to develop understanding and technical skills in the following areas:

- Nature and regulation of companies.
- Financing a Company including accounting for share capital and debentures.
- Accounting for company operations and main elements of financial statements.
- Accounting for income tax.
- Accounting for non-current assets, including property, plant and equipment, intangible, impairment of assets and business combinations.
- Preparation of the income statement, balance sheet, and statement of changes in equity and related notes to the financial statements.
- Accounting for leases.
- Preparation of cash flow statement and related notes.
- Accounting for foreign currency transactions and balances.

The course follows ACCG861: Principles of Accounting (which is a pre-requisite) and further develops financial accounting concepts, standards, and financial reports as applied to individual corporations.

Prescribed Textbook and Materials

- Leo, K., Hoggett, J., Sweeting, J and Radford J., (2008) **Company Accounting In Australia**, 7th ed, John Wiley & Sons. Available from the Co-Op Bookshop.
***PLEASE NOTE THIS EDITION HAS CHANGED SINCE LAST TRIMESTER !**

Other prescribed material can be downloaded from the relevant websites:

- **ACCG862 Trimester 1, 2008 Lecture Notes** (REQUIRED PRIOR TO CLASS EACH WEEK). These notes can be downloaded each week before the next week's class at Online Learning @ MQ for ACCG 862 go to : <http://learn.mq.edu.au>
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- **Australian Accounting Standards Board (AASB) Standards**, which can be viewed or downloaded from the AASB website at www.aasb.com.au.
- Deegan, C. (2005) **Australian Financial Accounting** 4th ed, McGraw-Hill Chapter 31: Accounting for Foreign Currency Transactions: pp. 1038 - 1048 & 1073 – 1078 (REQUIRED FOR **TOPIC 12**) and will be made available at Online Learning @ MQ for ACCG 862 go to : <http://learn.mq.edu.au>.
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- May, C and May G. **Effective Writing: A Handbook for Accountants**, 7th ed, Pearson, Chapter 9 "Letters", pp. 145-168. (REQUIRED FOR **WEEK 6**) and will be made available at Online Learning @ MQ for ACCG 862 go to : <http://learn.mq.edu.au>

Additional Resources

- The CPA Passport Program offered by CPA Australia provides a number of **free** benefits and services to students, including access to reference material on the CPA Australia website and library, career seminars and helpful student information, discounts on certain textbooks and other resources. For details, including an application form, see the CPA careers website at <http://www.cpacareers.com.au> or contact CPA Australia.
- The Institute of Chartered Accountants also provides **free** benefits and services to students, including: monthly electronic newsletters with information on career planning, profiles on CA firms, interviews with successful CAs, news on developments within the CA profession and business world; access to Charter online, the CA e-magazine (also in print); and access to a students only website. Students can complete an on-line registration form at www.charteredaccountants.com.au. Or you can email the Institute at careers@icaa.org.au or freecall on 1800 808 402.

Teaching Staff

Lecturer-in-Charge LEISA HENNESS
E-mail:

Lecturer NILA LATIMER
E-mail:

Lecturer EMMA HOLMES
E-mail:

Lecturer DAVID SILIPO
E-mail:

Student Consultation Hours

Consultation is provided in relation to any question about the course content or any related issues. You can initiate consultation by emailing the lecturer of your class. The lecturer will endeavour to answer your question or arrange for an appointment with you if required.

Any questions regarding the course itself or other non-content related issues including queries relating to assessments and examinations and requests for extension of assignments should be directed to the lecturer-in-charge via the email address above.

Please note all applications for Special Considerations are required to be submitted to the Master of Accounting Office, E4A Level 2 Receptions. Copies of these requests will be forwarded to the Lecturer In Charge.

Unit Structure This unit offers classes follows:

Monday 3pm- 6pm	C4A 318	Emma Holmes
Tuesday 12 noon – 3pm	C5A 304	David Silipo
Wednesday 3pm- 6pm	C4A 315	Leisa Henness
Thursday 9am – 12midday	C4A 318	Nila Latimer
Thursday 3pm- 6pm	C4A 315	Nila Latimer
Thursday 6pm- 9pm	C4A 315	Leisa Henness

Each student must attend a 1 x 3 hour combined tutorial/lecture each week at the class time for which they have registered. **Students MUST ONLY attend the class for which they have registered.** In the event that you have to attend an alternative class for a particular week you are required to notify both your normal lecturer and the lecturer of the class you wish to attend, to obtain permission to attend the alternate class, please ensure this is **NOT a regular occurrence.**

Request to attend alternate classes must be made via written email so that your lecturer can keep a record of movements. Participation marks will only be awarded when you attend your registered class. In addition you MUST only attend one class per week and you cannot attend two classes in any week.

Teaching and Learning strategy:

Each session will involve a tutorial section of up to 1 to 1.25 hours to discuss the previous week's assigned homework questions and work through an In-class focus question and address any issues from the previous week's material. The session will then continue with a lecture on the current week's topic.

The lecture will usually include a 1.5 – 2 hour presentation of the main concepts and content and a demonstration of practical example(s). A short break will be given during the three hour period at the discretion of the lecturer.

Students are strongly advised to read the prescribed course notes and chapter(s) in the textbook **prior to** attending each session in order to gain maximum benefit from the course. Before the following week's class, students are required to genuinely attempt the assigned homework for the topic, consisting of discussion questions, practical exercises and problems.

The tutorial session provides an opportunity to discuss the solutions to selected weekly homework questions and to have any problems or difficulties explained. In addition the in-class focus question will be worked through to demonstrate the logical steps and processes involved. The in-class focus question **MUST** also be attempted before class.

Generic Skills Outcomes

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. Apart from foundation skills of literacy and numeracy, and application and problem solving skills, one of the specific aims of this unit is that students develop their skills in compliance and business letter writing in the form of giving professional advice on financial accounting technical issues and concepts.

Online Learning @ MQ

- **Homework Solutions and Lecture Materials and Announcements**

- All homework solutions (**except for the in class focus question**) will be available on Online Learning @ MQ for ACCG 862 go to: <http://learn.mq.edu.au> before the tutorial is to be discussed the following week in class.
- The homework solutions will usually be available the Thursday (12 noon) the week before the tutorial. The in class focus question will only be discussed and worked through in class and solutions will **not** be available online and will not be made available via soft copy.
- The self study solutions for all topics will be made available at the beginning of the trimester, you can access these solutions at any time you chose to attempt the additional questions for practice. These questions and solutions will not be specifically addressed in class, should you have any queries you should ask your lecturer or send an email to Leisa Henness- who will assist you with your queries.
- The lecture materials provided on Online Learning @ MQ have gaps for which you are required to complete in class. Completed lecture notes will not be made available even if you miss a class, unless you contact the Lecturer In Charge.
- Any important notices will be posted on Online Learning Folder for ACCG 862 under the Announcements Folder. It is your responsibility to check this on a regular basis folder and your student email account to ensure you are aware of any information which may be posted by the Lecturer In Charge during the course of the Trimester.

- **Communication skills**

To assist students in developing their communication skills a two hour session will be run during normal class time by a representative from NCELTR in classes during the week commencing Monday, 25 February, 2008. This session will focus on professional letter writing. The session will be interactive and attendance is **compulsory** for all students. Material covered in this session will be examined in the assignment and the final examination for this subject.

Assessment

The assessment for the unit will consist of the following components:

(a) Attendance/ Participation/ Homework	10%
(b) Mid Trimester Examination	30%
(c) Written Assignment	15 %
(d) Final Examination	<u>45%</u>
	<u>100 %</u>

- To be eligible to pass the unit it is necessary to obtain **a pass in the combined mid trimester and final exams and pass overall.**
- In addition to the above requirement, you must also perform **satisfactorily in both parts A and B of the final paper**, Part A will be consist of more theory parts of the course whilst Part B will consist of more practical application of the course (more details will be provided to you closer to the exam).
- **You must also obtain a pass in the written assignment.**

Your final grade and SNG mark for the unit will take into account your overall performance (in total) **and** your individual performance in the combined mid trimester and final exams.

(a) Attendance and Participation (10%)

Each student is required to attend and actively participate in the class and produce evidence that homework and the in-class focus question has been completed. Each class is worth 1 mark, you will be awarded no marks if you do not attend or ½ to 1 mark depending on your level of participation in class discussions, your response to questions by either the lecturer or other class members as assessed by the lecturer in your registered class.

Your lecturer may also randomly check homework in class or collect your work to check homework has been completed and corrected. It is your responsibility to ensure your homework is completed EVERY week. You can only score a maximum of 10 marks. A roll will be taken each week to record your attendance. It is your responsibility to ensure you sign the class list or your attendance is marked off by the lecturer. No marks will be awarded for Week One, which means you can miss one class and still score maximum marks.

(b) Mid Trimester Examination (30%)

Date: Saturday, 1st March, 2008

Time and location to be announced closer to exam

The mid trimester examination will be a two hour exam. This examination will examine material covered in Topics 1 to 5. Further details of the format of the mid-trimester exam will be provided closer to the date of the exam. These details will also be posted on Online Learning @ MQ.

(c) **Written Assignment** (15%)

Due: Week 9 commencing Monday, 17th of March, 2008. You must hand your assignments to your lecturer AT THE BEGINNING of the class in which you are registered.

Required:

Draft a business letter giving advice in response to a number of questions and misunderstandings with regards to financial accounting concepts, procedures or reporting requirements. Length 750 – 1000 words.

You will be required to hand in **THREE (3)** copies of your letter to your lecturer during your normal class time. Two (2) of these copies must have the Originality report attached for the lecturers marking each issue, the third copy will require letter only for NCELTR marking.

- Technical component – to be marked out of 10 by lecturers for this subject.
- Letter writing skills – to be marked out of 5 by a representative from NCELTR.

A 10% penalty per day (or part thereof) will be imposed on an assignment not handed in to the lecturer at the commencement of class on the day that it is due.

This trimester all ACCG862 students will be required to submit assignments electronically to the *Turnitin* website in addition to hard copy. Detailed instructions will be available on the Online Learning folder for ACCG 862. A demonstration will also be conducted in class prior to having to use the software (*Turnitin*) for assignment submission.

When submitting assignments for ACCG862 students **must complete all the steps below:**

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

Detailed instructions explaining *Turnitin* and how students will be required to use this software for ACCG862 will be available online in the unit's folder closer to assignment submission date and as an in class demonstration of the software.

(c) Written Assignment (continued)

Class ID: 2131340
Enrolment Password: ACCG862

You will need this Class ID and Enrolment Password when you register and create your user profile in Turnitin, this information will be provided to you with your assignment details.

Some students may have used Turnitin in Trimester 3, 2007, if you already have a user profile you do not need to create a new one. ALSO please do NOT submit assignments under different user names, as this will cause problems in Turnitin. For instructions on how to enrol in a new class by adding it to your user profile please refer to Section 3 “ Enrolling in a new class” of your Turnitin User Guide.

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

A separate assignment task sheet with the details of the assignment will be available on Online Learning @ MQ in Week 4 of the trimester.

(d) Final Examination (45%)

The final three hour exam for this unit will be held during the final examination period for Trimester 1 2008 which is held in the exam week commencing 14th of April, 2008. Time and location will be available closer to the exam week. Topics examined in the mid-trimester will **NOT** be re-examined in the final exam. More details as to the format of the exam will be made available closer to the date and will also be made available in the units folder in Online Learning @ MQ.

Macquarie University Rules and Regulations

All assessment is subject to the University's rules and information to students set out in the 2008 Handbook of Postgraduate Studies. You are particularly referred to rules of the various postgraduate awards and with the student Information regarding plagiarism and grading (see below).

EXAMINATIONS

You are expected to present yourself at the mid trimester and final examination at a time and place designated in the University Examination Timetable. The Examination Timetable will be available on the Master of Accounting website in week 10. <http://www.accg.mq.edu.au/postgraduate/quicklinks>

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**. Students should refer to http://www.accg.mq.edu.au/Accg_docs/pdf/postgraduate_coursework/Application_for_Special_Consideration.pdf.

Please note that both the Special Consideration Application Form and the Professional Authority Form must be completed. A medical certificate alone is considered inadequate. Forms must be submitted to the MACC office, E4A Level 2, Reception within 2 days of the original examination.

You are advised that it is a 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 trimester which is the final day of the official examination period.

Information about Examination Rules, Mid-Trimester Examinations, Final Examination, Special Consideration and Supplementary Exams, Results and Unit grades can be found at <http://www.accg.mq.edu.au/ss/macc/examinations>

For further information email Mrs Dawn Cable at dcable@efs.mq.edu.au

Macquarie University Rules and Regulations (Continued)

PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." **Plagiarism is a serious breach of the University's rules and carries significant penalties.** You must read the University's practices and procedures on plagiarism. These can be found in the Handbook of Undergraduate Studies or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

UNIVERSITY POLICY ON GRADING

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e. the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another also receives a higher final scaled mark.

For an explanation of the policy see <http://senate.mq.edu.au/rules/Guidelines2003.doc> or <http://senate.mq.edu.au/detailedguidelines.doc>.

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>

Topic and Reference Outline

Week	Topic	References
1. 21 January	1. Nature and regulation of companies	<ul style="list-style-type: none"> o Text, Ch. 1, pp. 1-26
2. 28 January	2. Financing Company Operations - Accounting for share capital and debentures	<ul style="list-style-type: none"> o Text, Ch. 2, pp. 29-48 o Text Ch.2 pp. 57- 63
3. 4 February	3. Accounting for company operations- including the elements of financial statements	<ul style="list-style-type: none"> o Text, Ch. 3, pp. 81-115 o AASB,-"Framework for the Preparation and Presentation of Financial Statements"
4. 11 th February	4. Accounting for income tax	<ul style="list-style-type: none"> o Text, Ch. 4, pp.133-166 o Main features of AASB 112
5. 18 th February	5. Accounting for non-current assets (Property, Plant & Equipment)	<ul style="list-style-type: none"> o Text, Ch. 5, pp.185-220 o Standards – main features of AASB 116
6 25 th February	6 NCELTR – Communication skills <u>Mid-Trimester Test - Sat 1st March</u>	<ul style="list-style-type: none"> o May, C and May G, Ch. 9, pp. 145-168. <p>Topics 1- 5 examined</p>
7. 3 rd March	7 Accounting for non-current assets (Intangible Assets, Impairment of non-current assets and Business combinations)	<ul style="list-style-type: none"> o Text, Ch. 7, pp.298-325 (excluding section 7.6) o Text, Ch. 8, pp.340-365; and pp.371-387 o Text, Ch. 9, pp. 411-445 o Main features of AASB 138, AASB136 and AASB 3
8. 10 th March	8. Preparation and Presentation of company financial statements	<ul style="list-style-type: none"> o Text, Ch.10, pp.460- 502 o Text, Ch.11, pp.514-550 o Standards – main features of AASB 101
9. 17 th March	9. Accounting for Leases <u>Assignment Due- In your normal class</u>	<ul style="list-style-type: none"> o Text, Ch 6. pp. 242-277 o Standards – main features of AASB 117
10. 24 th March	10. Cash flow statements – part I	<ul style="list-style-type: none"> o Text, Ch.13, pp.606-629 o Main features of AASB 107
11. 31 st March	11. Cash flow statements - part II	<ul style="list-style-type: none"> o Text, Ch.13, pp 630-641 o Main features of AASB 107
12. 7 th April	12. Foreign currency transactions	<ul style="list-style-type: none"> o Deegan, C, (Ch. 31) , pp. 1037 - 1048 o Main features of AASB 121 & qualifying assets in AASB 123
<p>Note: As Monday 28th of Jan (Week 2) is a public holiday, students must make arrangements to attend alternative lectures this week. In Week 9 Emma's class will cover Cashflow part 1 (Topic 10) instead of Topic 9, so she will complete both cashflows lectures for Monday 3-6pm class and students will be required to attend another class for Topic 9. Therefore attending 2 classes in wk 9.</p>		

Assigned Homework, Inclass Focus Questions and Self Study Questions
(all questions from text unless otherwise stated)

Week	Homework Questions	In-class Focus Question (s)	Self Study Question (s)
Topic One (due Week 2)	<u>Review Questions:</u> Chapter 1: 1,2,3,8,9,13,14	Prior year exam question (refer to next page)	NA for this topic
Topic Two (due Week 3)	<u>Review Questions:</u> Chapter 2: 1,2,3,4,8,12 <u>Practice Questions</u> Chapter 2: 2.1,2.2,2.3,2.9	Chapter 2: <u>Practice Questions:</u> 2.7 ,2.10	Chapter 2: <u>Case Study</u> no 3 <u>Practice Questions:</u> 2.8, 2.13
Topic Three (due Week 4)	<u>Review Questions:</u> Chapter 3: 1,2,3,4,7,8,15 <u>Practice Questions</u> Chapter 3: 3.1,3.2,3.7,3.9	Chapter 3: <u>Practice Question:</u> 3.10	Chapter 3: <u>Practice Questions:</u> 3.6, 3.12
Topic Four (due Week 5)	<u>Review Questions:</u> Chapter 4: 1,6,7,8,13 <u>Practice Questions</u> Chapter 4: 4.1,4.2,4.6,4.8	Chapter 4: <u>Practice Question:</u> 4.14 (Excluding Part f)	Chapter 4: <u>Practice Questions:</u> 4.11, 4.13
Topic Five (due Week 6)	<u>Review Questions:</u> Chapter 5: 4,5, 8,10,17 <u>Practice Questions</u> Chapter 5: 5.1, 5.2,5.11	Chapter 5: <u>Practice Question:</u> 5.6	Chapter 5: <u>Practice Questions:</u> 5.9
Topic Six	No homework- revision for mid term exam		
Homework questions for Topics 7-12 to provided later in the trimester, this will be available on Online Learning @ MQ- you will be advised by your Lecturer when this is available			

INCLASS FOCUS QUESTION- TOPIC ONE
(Based on mid term exam T3 2007)

Willespie Pty Limited is a company involved in the contaminated waste disposal industry. The company is the largest firm in Australia that disposes of nuclear and other radio-active waste. The company is 100% owned by Willespie Inc, a large unlisted US firm which is owned by the Willespie family. Geoff Willespie is the managing director of the Australian operations.

The company is funded primarily by it's US based shareholder, although it does have a \$1 million loan with Eastbank, an Australian bank. The bank receives financial information from Willespie Pty Limited on a quarterly basis in accordance with the loan agreement.

The company was recently on the national news due to a protest by Greenpeace over a shipment of highly contaminated waste out of Sydney Harbour.

Required:

With reference to the definition of a reporting entity and guidelines in SAC 1 in the Financial Accounting Framework, and other relevant pronouncements, and based on all of the information that you have been provided, advise Geoff whether Willespie Pty Limited is a reporting or non-reporting entity. Briefly state the main implications of the classification. (5 marks)