



**DIVISION OF ECONOMIC AND FINANCIAL STUDIES
DEPARTMENT OF ACCOUNTING AND FINANCE
POSTGRADUATE DIPLOMA IN ACCOUNTING
& MASTER OF ACCOUNTING**

ACCG859 CURRENT ISSUES IN ACCOUNTING

UNIT OUTLINE

TRIMESTER 1, 2008

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 essay 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.

TEACHING STAFF

Lecturer-in-charge for T1, 2008: Dr Elaine Evans, E4A Room 331, Telephone (02) 9850 6477, Fax (02) 9850 8497 and email eevans@efs.mq.edu.au.

Lecturers in Trimester 1 are:

Claire Locke, email

Clayton Thompson, email

Louise Luff, email

LEARNING OUTCOMES

After studying this unit, you should be able to:

- 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.

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	25%
Research essay	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://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.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 term. 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.

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 NCELTR 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 NCELTR, the lecturing staff on this unit will run a workshop to assist students to write the **research essay**. 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 essay and be given help in knowing how to research. The workshop will be held in Week 5 from 3pm to 6pm or 6pm to 9pm. The dates and location will be advised in Week 2.

RESEARCH ESSAY

This component is worth 15% and the hard copy (see other requirements below) should be submitted **without exception by 12 noon on Wednesday 26 March and should be placed in ACCG859 EFS Assessment Box (or Overnight Box) at ERIC Ground Floor Room 106 Building E4B.** Simply download and attach the ERIC cover sheet

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

and the essay feedback sheet (Appendix 1) to the essay by stapling on the left-hand corner. It is not necessary to place the essay 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 essay ready for electronic submission by 17 March. This will allow you to make any changes in response to the *Turnitin* Originality Report.

Essay

According to Wilkinson, 'Accounting [firms] and corporations also have a responsibility to embed ethical values into the culture and core business processes of their organisations' (2007: 40).¹

It can be argued that not only employers but also universities and the professional accounting bodies have a responsibility to equip students/candidates/members/ employees with 'the skills to identify and evaluate ethical situations and draw on values, principles and strategies to make informed judgments' (Wilkinson 2007: 39).

Required:

Evaluate the different roles of universities, the professional accounting bodies and employers in equipping students/candidates/members/employees with the skills to identify and evaluate ethical situations and draw on values, principles and strategies to make informed judgments. In your answer, specifically discuss these ethical decision making skills in relation to financial accounting and reporting.

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

- You are required to research at least **ten** articles in addition to the prescribed custom publications. **(Do not use Wikipedia or essays from a Google search that are not peer reviewed).**
- Your essay must be approximately 2000 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

¹ Wilkinson, M. (2007) training the heart, *Charter*, July, pp. 38-40.

- Your essay 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 NCELTR 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 essay will not be marked and as a consequence you will receive zero marks.**

You will receive an evaluation form for your essay 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 essay.

RESEARCH ESSAY ADMINISTRATION FOR STUDENTS

This trimester all ACCG859 students will be required to submit assignments electronically to the *Turnitin* website as well as a hard copy. *Turnitin* is an internet data base that identifies papers containing unoriginal material. You will be given detailed instructions on how to register for and use the *Turnitin* website.

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

1. **Electronic submission** of assignment to *Turnitin* – when you submit your assignment the *Turnitin* website will produce an **Originality Report**.
2. **Originality Report:** Print a copy of your final *Originality Report* from Turnitin and attach it to your assignment behind the cover sheet.
3. **Revise** your research essay to eliminate plagiarism.
4. **Hard Copy submission** of research essay as instructed.
5. **A Coversheet** 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/EFS_docs/student_support/Individual_cover_sheet.pdf

Detailed instructions explaining *Turnitin* and how you will be required to use this software for ACCG859 will be distributed to all students in class.

Important Information

Class ID: 2131342
Enrolment Password: ACCG859

You will need the above *Class ID* and *Enrolment Password* when you register and create your user profile in *Turnitin*.

You may have used Turnitin in Trimester 3 2007. If you already have a user profile you do not need to create a new one. For instructions on how to enrol in a new class by adding it 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 YOUR RESPONSIBILITY TO COMPLETE THESE REQUIREMENTS.

PLAGIARISM (intentional or unintentional) is a serious offence and will not be tolerated. You are strongly advised to read the University's policy on **plagiarism** (see www.student.mq.edu.au/plagiarism/). The policies and procedures explain what is plagiarism, 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 (for the research essay), failure in the unit, and/or referral to the University Discipline Committee.**

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). **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>. NCELTR 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	23 January	Introduction and theories in accounting	McGraw-Hill Topic I (excluding practical examples) DSM Chapter 1
2	30 January	<i>Class participation in discussion of seminar questions</i> NCELTR Essay Writing Skills	Materials on unit web site
3	6 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	13 February	<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	20 February <i>Oral team presentations</i> Workshop this week	<i>Class participation in discussion of seminar questions</i> International Financial Reporting Standards	McGraw-Hill Topic IV DSM Chapter 8
6	27 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	5 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	12 March	<i>Class participation in discussion of seminar questions</i> 2 nd in-class essay Weeks 4-7 (one hour)	
9	19 March	Judgment and Measurement: Share-based payments; biological and heritage assets; general insurance	McGraw-Hill Topics VII and IX DSM Chapter 4

10	26 March Research Essay due <u>Oral team presentations</u>	<i>Class participation in discussion of seminar questions</i> CLERP 9 and Corporate Governance	McGraw-Hill Topic VI DSM Chapter 6 http://www.asx.com.au/supervision/governance/index.htm http://www.bdw.com.au/news/clerp9guide.pdf
11	2 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	9 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 E7B 200
12 noon – 3 pm C5A 304
3 pm – 6 pm E7B 200
3 pm – 6 pm C5A 304
6 pm – 9 pm SAM

Schedule of dates for assessment tasks

Due date	Assessment	Weighting
6 February	1 st in-class test	10%
* 20 February or 27 February or 5 March	Team oral presentation	10%
12 March	2 nd in-class test	15%
26 March	Research essay	15%
* 26 March or 9 April	Team oral presentation	10%
Week beginning 14 April	Final examination	50%

* your team presentation will be in **one** of these weeks.

APPENDIX 1 (ATTACH TO RESEARCH ESSAY)

ACCG859 CURRENT ISSUES IN ACCOUNTING 2008

FEEDBACK ON RESEARCH ESSAY

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 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?

Referencing: /4.5

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

Presentation: /3

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

Scaled /30
/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

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 10

¹ This has been adapted from NCELTR

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 Dr Elaine Evans.

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.

NCELTR 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

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

<http://www.asx.com.au/supervision/governance/index.htm>

<http://www.bdw.com.au/news/clerp9guide.pdf>

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?

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