

MACQUARIE UNIVERSITY



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

UNIT OUTLINE

ACCG855 CORPORATE ACCOUNTING

Trimester 3 2008

ACCG 855 CORPORATE ACCOUNTING

UNIT OUTLINE-TRIMESTER 3, 2008

Unit Description

By the end of this unit you should be able to:

- Determine when companies are required to prepare consolidated financial statements
- Prepare consolidated financial statements, including:
 - Identification and recognition of fair value adjustments
 - Calculation and treatment of goodwill
 - Accounting for the intra-economic entity sale of inventory and non-current assets
 - Accounting for minority interest, direct and indirect
- Translate the financial statements of foreign subsidiaries
- Prepare consolidation journals in respect of investments on foreign subsidiaries
- Determine and apply the appropriate accounting treatment for associates
- Determine and apply the appropriate accounting treatment for joint ventures

In addition, specific communication skills will be developed through assessment tasks.

Prescribed Reference Materials

The prescribed materials for the unit are:

- 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.

- Alfredson, Leo, Picker, Pacter, Radford, **Applying International Accounting Standards**, 1st ed. John Wiley & Sons Australia Ltd, 2005 **Chapters 21 and 23 only** (e-reading)
- ACCG855 Weekly lecture notes

Available on the Macquarie University online teaching facility: learn.mq.edu.au

Additional Resource Material

- The Institute of Chartered Accountants 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 important developments within the CA profession and business world;
 - access to Charter online, the CA e-magazine (also available in print);
 - access to the students only websiteStudents can establish an “e-relationship” with the Institute by completing the on-line registration form at www.charteredaccountants.com.au. Alternatively you can freecall the Institute on 1800 808 402.
- The CPA Passport Program offered by the CPA is a fee paying program. For details contact CPA at www.cpaaustralia.com.au/passport

Teaching Staff

Lecturer in charge EMMA HOLMES
Room: Building E4A Level 2

Lecturer: LEISA HENNESS
Room: Building E4A Level 2

Lecturer: DAVID SILIPO
Room: Building E4A Level 2

Student Consultation Hours

All lecturers are available for consultation by phoning for an appointment in advance.

Consultation may be made in relation to any question about the unit content or any related issues. Alternatively, you may e-mail your queries to the e-mail addresses above.

All queries relating to assessments and examinations, requests for extensions of assignment etc should be directed to Emma Holmes, lecturer in charge, via the e-mail address above. Please note that all applications for Special Consideration (including in advance of designated assessment tasks) are required to be submitted to the Master of Accounting office, E4A Level 2 Reception. A copy of any such requests will be forwarded to Emma Holmes.

Unit Structure

This unit offers classes as follows:

Monday	9am-12pm	C4A 318	Emma Holmes
Monday	12pm-3pm	C4A 318	Emma Holmes
Wednesday	6pm-9pm	C4A 315	Leisa Henness
Friday	9am-12pm	C4A 315	David Silipo
Friday	12pm-3pm	C5A 304	David Silipo

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. A roll will be taken at each class.

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 required to prepare solutions to the weekly assignment questions prior to attending each weeks class. As solutions to selected weekly assignments will be discussed in sessions, this gives you an opportunity to discuss any problems or difficulties you are experiencing with the subject content.

Solutions to weekly assignment questions will be placed online on the Sunday morning of the **week following the lecture**.

Solutions to additional self study homework questions for all weeks will be placed on the website at the beginning of the trimester. For theory questions, brief summaries are included in the solutions to add to your own work and notes from discussion in the session.

Please note that solutions will **NOT** be provided for the Topic 10 in-class case study.

All lecture notes and solutions to weekly assignments and additional self study questions can be accessed on the online learning portal: learn.mq.edu.au.

Communication skills

To assist students in developing their communication skills a session will be run during normal class time by representatives from CME (Centre for Macquarie English) in classes during the week commencing Monday 22nd September.

This session will be focussed on report writing. The session will be interactive and attendance is **compulsory** for all students. Material covered in this session will be examined in the assignment for this subject.

Assessment

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

	%
Weekly computer based assignments	15
Mid-term examination	35
Written assignment	15
Final examination	<u>35</u>
	<u>100</u>

To be eligible to pass the unit it is necessary to perform satisfactorily in **all** of the above components. Your final grade for the unit will take account of your overall performance (in total) **and** your individual performance in **each** of the assessment components. To pass this unit you must:

- (i) obtain a pass in the combined examination component (mid-term + final);
- (ii) satisfactorily submit all weekly computer based assignments;
- (iii) obtain a pass in the written assignment; and
- (iv) obtain an overall pass.

Assessment – Weekly computer based assignments

Date: various (refer below for details)

Assessment percentage: 15% (out of 100% total)

Assignment #	Topics covered	% age	Due date
1	2 & 3	5	Monday classes – 10pm Tuesday 9 th Sept. Wednesday class – 10pm Friday 12 th Sept. Friday classes – 10pm Saturday 13 th Sept.
2	4	5	Monday classes – 10pm Tuesday 16 th Sept. Wednesday class – 10pm Friday 19 th Sept. Friday classes – 10pm Saturday 20 th Sept.
3	8 & 9	5	Monday classes – 10pm Tuesday 28 th Oct.. Wednesday class – 10pm Friday 31 st Oct. Friday classes – 10pm Saturday 1 st Nov.
		15	

During the trimester, you will be required to complete and submit 3 computer (excel) based assignments. Detailed information on how to complete and submit these assignments will be provided to you in week 1 of lectures.

A penalty of 20% per day (or part thereof) for late submission will be applied to each assignment. Any assignment submitted more than 5 days late will receive a mark of zero.

Assessment - Mid Term Examination

Date: Saturday 27th September 2008, time and location TBA

Assessment percentage: 35% (out of 100% total)

The mid trimester examination will be a 2 ½ hour written exam. This examination will examine material covered in Topics 1 to 5. The examination will comprise of a number of written (theory) questions as well as multiple choice questions.

Assessment – Written Assignment

Due: Monday 13th October, 2008

Assessment percentage: 15% (out of 100% total)

Details of the assignment will be provided in class during the week commencing Monday 22nd September.

All students will be required to submit assignments electronically to the *Turnitin* website.

Assignment Submission Requirements

When submitting assignments for ACCG855 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**. You must print the **Originality Report** and hand it in 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

Detailed instructions explaining *Turnitin* and how students will be required to use this website for ACCG855 will be distributed to all students in class.

Important Information

Class ID: 2326333
Enrolment Password: ACCG855

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 INTRUCTIONS. IT IS THE STUDENT’S RESPONSIBILTY TO COMPLETE THESE REQUIREMENTS.

Assessment - Final Examination

Date: In the exam week commencing Monday 10th November 2008

Assessment percentage: 35% (out of 100% total)

The final examination will be a 2 ½ hour written exam. This examination will examine material covered in Topics 7 to 10 (including the case study covered in Topic 10). The examination will comprise of a number of written (theory) questions as well as multiple choice questions.

Macquarie University Rules and Regulations

All assessment is subject to the University's rules and information to students set out in the Handbook of Postgraduate Studies. You are particularly referred to rules of the various postgraduate awards and Student Information regarding Plagiarism and Assessment. (www.student.mq.edu.au/plagiarism).

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.

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/rules/detailedguidelines.doc>.

STUDENT SUPPORT SERVICES:

Macquarie University provides a range of Academic Student Support Services. Details can be accessed at: <http://www.student.mq.edu.au>

Further, CME provides Study Skills workshops for MAcc students. For the timetable, see <http://www.accg.mq.edu.au/macc> .

Lecture Topics and References – ACCG855

Topic	Week commencing	Topic	Readings L&H = Leo & Hoggett AIAS = e-readings	Weekly assignment question – MANDATORY	Additional self study questions - OPTIONAL
1	18 Aug	Consolidations (1) Control, groups	L&H Chapter 14 (excluding section 14.5)		Review qu: 3,9 Case study: 2,6,7,12
2	25 Aug	Consolidations (2) Principles of consolidation	L&H Chapter 15 (excluding section 15.7, 15.8)	15.14, 15.15	Review qu: 1,2,3,8,9 Case study: 4 Prac qu: 15.6, 15.8, 15.10 15.12
3	1 Sept	Consolidations (3) Intra-economic entity sale of assets	L&H Chapter 16 (Section 16.7 Advances only – IGNORE the rest of this section)	16.12, 16.14	Review qu: 2,3 Case study: 1,2 Prac qu: 16.4, 16.7, 16.8, 16.13
4	8 Sept	Consolidations (4) Minority interest – direct	L&H Chapter 17	17.11, 17.14	Review qu: 5,8 Case study: 1,3 Prac qu: 17.6, 17.8, 17.10, 17.15
5	15 Sept	Consolidations (5) Minority interest – indirect	L&H Chapter 18 (excluding section 18.4)	18.9, 18.12 ¹	Review qu: 3 Case study: 2 Prac qu: 18.6, 18.8, 18.10, 18.11
6	22 Sept	Communication skills – CME report writing session			
	Sat 27 Sept	Mid term exam			
7	29 Sept	Translation of foreign currency financial statements and consolidation accounting for foreign subsidiaries	AIAS Chapter 21 (excluding section 21.6)	Prob: 21.2	Disc qu: 3, 4,9 Ex: 21.2 (Part 1 & 2 only), 21.3 (Part 1 only) 21.4 ⁱⁱ , 21.5 ⁱⁱⁱ (Part 1(a), 2 and 3(a) only) Prob: 21.1, 21.3 (Part 1 only) 21.4 ^{iv}
	6 Oct	No classes this week – Monday public holiday			
8	13 Oct	Equity accounting	L&H Chapter 19 (excluding section 19.5.2, 19.5.3)	19.6 ^v , 19.12	Review qu: 3,7,8,11 Case study: 1 Prac qu: 19.5, 19.7,19.8
9	20 Oct	Joint ventures	AIAS Chapter 23	Prob: 23.4	Disc qu: 3, 4 Ex: 23.2 ^{vi} , 23.4 ^{vii} Prob: 23.5 ^{viii}
10	27 Oct	In class Case Study Computer assignment #3 due			
	3 Nov	Revision week – no classes			

Refer to the last page of this unit outline for additional (endnote) information relating to homework questions (where annotated i, ii, iii etc).

Endnotes relating to homework questions

- i Question 18.12 – The paragraph relating to inventory should say that all inventory on hand as at 1 July 2009 was sold by 30 June 2010.
- ii Exercise 21.4 - Please assume that the HK dollar is the functional currency of Nathan Ltd, instead of Singapore dollars (as is stated in the question).
- iii Exercise 21.5 – The cost of acquisition should read \$977 400, NOT \$997 400.
- iv Problem 21.4 – Additional info 1. – Please amend the comment re the inventory to state that all inventory was sold by June 2007, rather than July 2007.
- v Question 19.6 – the second lot of data provided in the question (Share capital \$100,000; ARR \$60,000; GR \$10,000; RE \$40,000) relates to balances as at 1 July 2007.
- vi Exercise 23.2 – the fair value for Bangor should read \$400,000, instead of \$450,000
- vii Exercise 23.4 – the equipment balance needs to be changed from \$720,000 to \$820,000 and the total assets changed from \$1,420,000 to \$1,520,000.
- viii Problem 23.5 – you should assume that all inventory distributed to the venturers has been sold by 30 June 2007.