

**MACQUARIE UNIVERSITY**



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

**UNIT OUTLINE**

**ACCG862 FINANCIAL ACCOUNTING**

**Trimester 3 2008**

## ACCG862 FINANCIAL ACCOUNTING

### UNIT OUTLINE - TRIMESTER 3 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, 7<sup>th</sup> edition**, John Wiley & Sons. Available from the Co-Op Bookshop.

**Other prescribed material can be downloaded from the relevant websites:**

- **ACCG862 Trimester 3, 2008 Lecture Notes and Lecture Examples** (REQUIRED PRIOR TO CLASS EACH WEEK). These notes will all be available from week 1 and should be downloaded each week before 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](http://www.aasb.com.au).
- Deegan, C. (2005) **Australian Financial Accounting** 4<sup>th</sup> ed, McGraw-Hill Chapter 31: Accounting for Foreign Currency Transactions: pp. 1038 - 1048 & 1073 – 1078 (REQUIRED FOR **TOPIC 11**) 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](http://www.charteredaccountants.com.au). Or you can email the Institute at [careers@icaa.org.au](mailto:careers@icaa.org.au) or freecall on 1800 808 402.

### **Teaching Staff**

Lecturer-in-Charge      LEISA HENNESS

Lecturer                      NILA LATIMER

Lecturer                      EMMA HOLMES

### **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 6-9pm          | C5A 304 | Nila Latimer  |
| Wednesday 12 noon- 3pm | C4A 318 | Nila Latimer  |
| Wednesday 3pm- 6pm     | C5A 304 | Nila Latimer  |
| Wednesday 3pm- 6pm     | 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 NOT for any transfer classes even if you have permission for the transfer.** 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 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 (7am) the week before the tutorial homework is due. 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-[lhenness@optusnet.com.au](mailto:lhenness@optusnet.com.au) to answer any 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 folder and your student email account on a regular basis to ensure you are aware of any information which may be posted by the Lecturer In-Charge, Program Director or Academic Coordinator 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 Centre for Macquarie English (CME) in classes during the week commencing **15th September, 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 examinations 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 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. A maximum of 1 mark will be awarded each week, excluding Week 1 to a maximum of 10 marks for the trimester for this assessment component. No marks will be awarded if you do not attend or ½ to 1 mark will be awarded depending on your level of participation in class discussions and completion of homework.

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.

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.

### **(b) Mid Trimester Examination (30%)**

**Date: Saturday 27<sup>th</sup> September, 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 6. 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 under the announcements folder. Seating allocation and exam timetables are available in Week 4 on the MACC website.

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

**Due: All assignment will be due Week 8: Wednesday 8th October at 12 noon at Assignment Box at ERIC for ALL students.**

**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 1000- 1200 words.

You will be required to hand in **THREE (3)** copies of your in the Assignment Box at ERIC, clearly marked COPY ONE, COPY TWO and COPY THREE. All copies MUST have the originality report attached. If this report is NOT attached to all copies marks will be deducted for not following instructions, as markers will not be able to refer to these copies whilst 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 CME.

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.

*Turnitin* is an internet database that identifies papers containing unoriginal material. Detailed instructions on how to register for and use of the *Turnitin* website will be available on Blackboard before the assignment is released to students.

**Assignment Submission Requirements**

When submitting assignments for ACCG862 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. Soft copies of the Assignment Coversheets can be downloaded from <http://www.efs.mq.edu.au/current/ug/eric>

### **Important Information**

**Class ID:** 2327090  
**Enrolment Password:** ACCG862

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

Some students may have used Turnitin in a previous trimester. 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 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 3 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 3 2008 which is held in the exam week commencing 3rd November, 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.



### **Ways to enhance your chance of success in this unit**

During 2007 the Master of Accounting program engaged in a significant research project that was designed to investigate and find ways to enhance student participation in the classroom.

**Students** who were interviewed during the research project stated that participating in classroom discussions, answering lecturer's questions and engaging in meaningful discussion with colleagues when directed by the lecturer:

1. assists them in retaining information and maintaining interest and concentration
2. allows them to clarify or check their understanding
3. provides opportunities to enhance and reinforce knowledge and learn from other students
4. improves their English proficiency
5. supports their development of communication skills
6. develops skills needed in professional practice

**Lecturers** expect students to participate in class as it:

1. provides opportunities for students to review or clarify lecture content and benefit from the experience of other students
2. assists students to think about concepts and test whether their understanding is correct
3. develops confidence in speaking
4. provides opportunities to think in a different way

The research concluded that the benefits of participation include:

- enhancing the learning process
- meeting lecturers' expectations of students
- helping to increase communication skills.

## **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](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](mailto: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.

### **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.

## **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. 18 August      | 1. Nature and regulation of companies  | <ul style="list-style-type: none"> <li>○ Text, Ch. 1, pp. 1-26</li> </ul>  |
| 2. 25 August      | 2. Financing Company Operations<br>- Accounting for share capital and debentures   | <ul style="list-style-type: none"> <li>○ Text, Ch. 2, pp. 29-48 ( excluding redeemable preference shares)</li> <li>○ Text Ch.2 pp. 57- 63</li> </ul>   |
| 3. 1 September    | 3. Accounting for company operations- including the elements of financial statements   | <ul style="list-style-type: none"> <li>○ Text, Ch. 3, pp. 81-115</li> <li>○ AASB,-“Framework for the Preparation and Presentation of Financial Statements”</li> </ul>  |
| 4. 8 September    | 4. Accounting for income tax   | <ul style="list-style-type: none"> <li>○ Text, Ch. 4, pp.133-166</li> <li>○ Main features of AASB 112</li> </ul>   |
| 5. 15 September   | <b>5 CME Session – Communication skills</b>  | <ul style="list-style-type: none"> <li>○ NCELTR workbook – Business Letter Writing -( this will be available online- to be downloaded prior to class)</li> </ul>   |
| 6 22 September    | 6. Accounting for non-current assets (Property, Plant & Equipment and Intangible Assets)<br><br><b><u>Mid-Trimester Test - Saturday 27<sup>th</sup> Sept</u></b> | <ul style="list-style-type: none"> <li>➤ Text, Ch. 5, pp.185-220</li> <li>➤ Standards – main features of AASB 116</li> <li>➤ Text, Ch. 7, pp.298-325 (excluding section 7.6)</li> </ul>  |
| 7. 29th September | 7 Accounting for non-current assets (Impairment of non-current assets and Business combinations )  | <ul style="list-style-type: none"> <li>➤ Text, Ch. 8, pp.340-365; and pp.371-387 ( specifically EXCLUDES accounting in the books of the acquiree)</li> <li>➤ Text, Ch. 9, pp. 411-445<br/>Main features of AASB 3, AASB136 and AASB 138</li> </ul> |
| 8. 6 October      | 8. Preparation and Presentation of company financial statements<br><br><b>All assignments due 8 Oct 12 noon at ERIC</b>  | <ul style="list-style-type: none"> <li>➤ Text, Ch.10, pp.460- 502</li> <li>➤ Text, Ch.11, pp.514-558</li> <li>○ Standards – main features of AASB 101</li> </ul>   |
| 9. 13 October     | 9. Cash Flow Statements  | <ul style="list-style-type: none"> <li>○ Text, Ch.13, pp 606-641</li> <li>○ Main features of AASB 107</li> <li>○</li> </ul>  |
| 10. 20 October    | 10. Accounting for Leases  | <ul style="list-style-type: none"> <li>➤ Text, Ch 6. pp. 242-278</li> <li>➤ Standards – main features of AASB 117</li> </ul>   |
| 11. 27 October    | 11. Foreign currency transactions  | <ul style="list-style-type: none"> <li>➤ Deegan, C, (Ch. 31) , pp. 1037 - 1048</li> <li>○ Main features of AASB 121 &amp; qualifying assets in AASB 123</li> </ul>   |
| 12. 3rd November  | Revision   |  |

**Note : Week 8 – Week commencing 6 October is a public holiday- students will need to attend an alternative class this week**

