

**Division of Economic and Financial Studies**  
**Department of Accounting and Finance**

**ACCG100 ACCOUNTING 1A**

**Unit Outline**

**Semester 1**

**2005**

Students should read this outline carefully.  
It contains important information about the unit.  
If anything in this document is unclear, please consult with the Lecturer-in-Charge.

# ACCG100 -ACCOUNTING 1A

## About this Unit

This unit provides an introduction to the major issues relating to financial accounting. The unit begins by setting the context that accounting information is fundamental to decision making in the world of commerce. The unit concentrates on:

- The nature, reporting context and major users of accounting information
- The accounting process and preparation of financial reports
- The fundamentals of accounting systems
- The characteristics and processes relevant to companies
- The introduction to financial reporting analysis.

The lecture and tutorial outline has been designed to ensure that students develop conceptual, practical and lateral skills in accounting with an appreciation of related ethical issues.

## • Pre-requisites

Nil

## Full-Time Teaching Staff

Lecturer-in-Charge: Associate Professor Alex Malley, C5C 413,

[alex.malley\(alex.malley@mq.edu.au\)](mailto:alex.malley@mq.edu.au) Unit Administrator: Ms Kym Boon, C5C 401,

[kym.boon\(kym.boon@mq.edu.au\)](mailto:kym.boon@mq.edu.au)

Full time staff will be supported by adjunct faculty members in the operation of the unit. Students will be provided with consultation times of staff at the commencement of the semester.

## Classes

The timetable for classes can be found on the University website at: [www.timetables.mq.edu.au](http://www.timetables.mq.edu.au)

- Note:
  - I. Any tutorial changes may be made online in week one of semester. Any further issues relating to tutorial changes beyond this point must be addressed to Ms Kym Boon Ph: 9850 8451.
  - II. Satisfactory attendance is an essential assessment requirement -refer to 'assessment' section.

## Required Texts

(H) Hogget, J., Edwards, L. & Medlin, J., Fifth Edition, 2003, *Accounting in Australia*, John Wiley and Sons.

(S) Sin & Jones, 2003, *Generic Skills in Accounting: Competencies for Students and Graduates*,

Prentice-Hall, Pearson Education, Australia.

## Unit Web Page

The web page for this unit can be found at:

[http://www.lib.mq.edu.au/resources/reserve/index.php?command=searchCourse&coursenotes=0&xams=0&ereadings=0&course=accg\\_100](http://www.lib.mq.edu.au/resources/reserve/index.php?command=searchCourse&coursenotes=0&xams=0&ereadings=0&course=accg_100)

## Learning Outcomes

At the successful completion of this unit students will be able to:

- Appreciate the commercial decision making environment
- Account for fundamental business transactions
- Distinguish between service and retail organisations
- Prepare a worksheet, statement of financial performance and statement of financial position
- Account for cash within an organisation
- Recognise the fundamental structures and procedures relating to the company form
- Recognise the professional responsibilities flowing from regulation and the Conceptual Framework
- Prepare a basic statement of cashflows
- Calculate basic financial ratios

In addition to learning outcomes, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. One of the aims of this unit is that students develop their skills in the following:

- Foundation skills of numeracy
- Critical analysis skills.
- Problem solving skills

## Teaching and Learning Strategy

This unit is taught through a weekly lecture supported by a tutorial. Solutions to homework exercises will be placed in the Economics Resource and Information Centre (ERIC) C5C-244 in the week following the tutorial.

In addition the course outline, tutorial solutions and any other relevant course material will be placed on the web in e-Reserve.

- Go to: [http://www.lib.mci.edu.au/resources/reserve/index.php?command=searchCourse&coursenotes=0&xams=0&ereadings=0&course=accg\\_100](http://www.lib.mci.edu.au/resources/reserve/index.php?command=searchCourse&coursenotes=0&xams=0&ereadings=0&course=accg_100)

Success in this unit is achieved by studying consistently and asking relevant questions at every stage of the subject. Often students face unnecessary difficulties because they are unwilling to ask questions. You are strongly encouraged to analyse problems and issues to enhance your learning. You are required to make the following points your responsibility in this subject:

1. Attend all lectures and tutorials with textbook and notes
2. Read relevant chapters prior to lectures
3. Actively participate in tutorials (ask questions, analyse issues etc.)
4. Complete homework prior to arrival at tutorial (expect to hand in homework to your tutor regularly).
5. Achieve a satisfactory level of performance in all aspects of the subject.
6. Speak to your tutor if you are facing difficulties with the subject.

## Relationship Between Assessment and Learning Outcomes

Assessment modes have been developed to evaluate the stated learning outcomes of the unit. Practice, theory and generic skills are tested across assessment tasks.

### Assessment Tasks

The weighting of the final (composite) mark will be as follows:

*Web Exercises (Refer instructions sheet)	15
Generic Skills Assignment	10
Mid-semester examination (8th April'05)	25
Final Examination (3 hours)	50 or 65
<hr/> Total	<hr/> 100

\*These are optional exercises and quizzes. Instruction sheet will be distributed in lecture, week 3. **Mid-**

### Semester Examination

All students are required to attend a 2-hour mid-semester examination which will be held on

- **Friday 8<sup>th</sup> April '05 at 6pm.** (location to be advised).

The University's *Rules Governing Student's Conduct in Examinations* (as set out in the 2005 Handbook) apply during the mid-semester exam. Any misconduct by a student will result in disciplinary action being taken in accordance with the University's By-Laws.

The mid-semester exam may include any material covered in lectures, tutorials and assignments prior to exam.

### Final Examination

The final examination will cover the whole of the course, including material covered in lectures, tutorials and assignments. Note that the lecture topics for Week 12 are examinable notwithstanding the absence of a tutorial on these topics.

### Additional Requirements and Weekly Tutorial Assignments

Students are expected to attend each week two one-hour lectures and a one-hour tutorial. Attendance at lectures is not compulsory but is **strongly recommended**. The textbooks are not a complete guide to the content of the

- course. Lectures will introduce additional material as well as review and strengthen material covered in the text.

Attendance at tutorial classes is **compulsory**. Any student who, without prior permission:

- is absent from more than *two* tutorials; or
- does not submit at least *nine of the eleven* tutorial assignments on time:

will be deemed to have failed the unit (see Bachelor Degree Regulations).

Students who are prevented from meeting any of the above requirements due to illness or unavoidable disruption (as defined in the 2005 Handbook) must lodge, with the Registrar, a request for special consideration formulated in accordance with the section titled *Requests for Special Consideration* in the unit outline.

Tutorials will commence during the second week of the semester. These will provide small group discussions and opportunities to raise problems and understand practical work. Tutorial lists will be displayed on the notice board outside ERIC in building C5C Room 244 and on the web (address below) by 9.00am Monday Week 2.

**Tutorial assignments are due IN THE TUTORIAL EACH WEEK commencing week 2.**

Tutorial discussions will be based on the assignment questions recorded at the back of this outline. Attempting these questions forms an important part of the learning process. Consistent work is required since each week's work depends on knowledge acquired in previous weeks. You should also attempt additional problems as apart of your private study.

**Solutions to homework exercises will be placed in the ERIC in the week following the tutorial. In addition the course outline, tutorial solutions and any other relevant course material will be placed on the web in the library reserve collection.**

Go to

<http://www.lib.mq.edu.au/resources/reserve/index.php?command=searchCourse&coursenotes=0&exams=0&ereadings=0&course=ACCG100>

Deadlines for assessment tasks will be provided at the commencement of the unit. No marks will be allocated for late assignments unless prior arrangements have been sought or acceptable medical evidence is supplied to

- the Lecturer-in-charge.

**To be awarded a passing grade in this unit, a student must obtain a minimum of 50% in the final examination as well as satisfactory completion and performance in all elements of assessment (including tutorial participation).**

The University Examination period in the First Half Year 2005 is from 15<sup>th</sup> to 29<sup>th</sup> June 2005.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of examinations and in Final form approximately four weeks before the commencement of the examinations. [www.timetables.mq.edu.au/exam](http://www.timetables.mq.edu.au/exam)

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.

Information about unavoidable disruption and the special consideration process is available from [www.reg.mq.edu.au/Forms.APSSCon.pdf](http://www.reg.mq.edu.au/Forms.APSSCon.pdf)

- If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Divisions may wish to signal when the Division's Supplementaries are normally scheduled).

You are advised that it is 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 semester, that is the final day of the official examination period.

## 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 [www.student.mq.edu.au/plagiarism](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.

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

For an explanation of the policy see:

[www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc](http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc)

[www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc](http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc)

## Student Support Services

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at [www.student.mq.edu.au](http://www.student.mq.edu.au)

Lecture/ Tutorial Outline

No.	Lecture Topic	Text Refs	Tutorial
1	<b>Decision Making Context</b> <ul style="list-style-type: none"> <li>• Economic decision making</li> <li>• The nature of accounting</li> <li>• Users of accounting information</li> <li>• Management and financial accounting</li> <li>• The Accounting Profession</li> <li>• Ethics and Accounting</li> <li>• Business entities</li> <li>• Financial reports</li> <li>• Underlying accounting assumptions</li> <li>• The Accounting Equation</li> </ul>	HEM Ch. 1 & 2	Completed for class Week 2  HEM Ch. 2 Discussion Questions: 1 & 2, p.50 Exercise: 2.7, p.52 Problem: 2.1, 2.3, 2.7, pp.53-56
2	<b>Accounting for Transactions - Fundamentals</b> <ul style="list-style-type: none"> <li>• Recording Transactions</li> <li>• Transaction analysis</li> <li>• Double entry accounting</li> <li>• Journal/Ledger/Trial balance</li> </ul>	HEM Ch. 3	Due Week 3  HEM Ch. 3 Discussion Questions: 4,5,6, p.105 Exercise: 3.1 & 3.7, pp. 105-108 Problem: 3.2,3.5,3.6, pp110-113
3	<b>Accounting for Transactions -Adjustments (Part 1)</b> <ul style="list-style-type: none"> <li>• Cash vs Accrual'</li> <li>• Need for adjusting entries</li> <li>• Adjustment examples</li> <li>• Adjusting entries, T Accounts, Adjusting Trial Balance</li> </ul>	HEM Ch. 4 pp.123-143 inclusive	Due Week 4  HEM Ch. 4 Discussion Questions: 1& 3, p.158 Exercise: 4.2, p.159 Problem: 4.1, 4.2, 4.5 (A,B,C) pp.162-166
4	<b>Accounting for Transactions -Adjustments (Part 2)</b> <ul style="list-style-type: none"> <li>• Fully Classified Statement of Financial Position</li> <li>• Introduction and preparation of the Worksheet</li> </ul>	HEM Ch. 4 pp. 144-157	Due Week 5  HEM Ch. 4 Discussion Questions: 4 & 6, p.158 Exercise: 4.4 & 4.8, pp. 160-162 Problem: 4.8 & 4.10, pp. 168-170 Critical Thinking Case: p.172
5	<b>Accounting for Transactions, - Worksheet and Completion</b> <ul style="list-style-type: none"> <li>• Review of worksheets</li> <li>• The closing process</li> <li>• Post-closing trial balance</li> <li>• Reversing weeks</li> </ul>	HEM Ch. 5	Due Week 6  HEM Ch. 5 Discussion Question: 3 p.208 Exercise: 5.1 & 5.3, pp208-209 Problem: 5.1 & 5.7, pp.212-217 Decision Case: pp.219-220
6	<b>Accounting for Retailers</b> <ul style="list-style-type: none"> <li>• Retail vs Service enterprises</li> <li>• Inventory</li> <li>• Retailing &amp; the GST</li> <li>• Accounting for Retailers</li> <li>• Periodic vs Perpetual systems</li> <li>• Worksheet for a Retailer</li> </ul>	HEM Ch. 6 pp.222-250 inclusive	Due Week 7  HEM Ch. 6 Discussion Questions: 1, 2, 3, p.254 Exercise: 6.4 p.256 Problem: 6.3, 6.6, 6.7 pp.259-262 Ethical Issues: p.267

7	<b>Accounting Systems</b> <ul style="list-style-type: none"> <li>• Operation of accounting systems</li> <li>• Manual accounting systems <ul style="list-style-type: none"> <li>◦ Control accounts</li> <li>◦ Subsidiary ledgers</li> <li>◦ Special purpose journals</li> </ul> </li> <li>• Computerised accounting system <ul style="list-style-type: none"> <li>◦ Overview MYOB</li> </ul> </li> </ul>	HEM Ch. 7	Due Week 8  HEM Ch. 7 Discussion Questions: 1 & 2, p.312 Problem: 7.6 & 7.10, pp.320-326 Ethical Issues: p.328
8	<b>Cash Management &amp; Control</b> <ul style="list-style-type: none"> <li>• Cash defined</li> <li>• Internal control concepts</li> <li>• Control of Cash</li> <li>• Bank Reconciliation</li> <li>• Petty Cash</li> </ul>	HEM Ch. 10	Due Week 9  HEM Ch. 10 Discussion Questions: 1 & 2 p.429 Exercise: 10.3 & 10.5, p.430 Problem: 10.1, 10.5, 10.7, pp.433-439
9	<b>Accounting for Companies</b> <ul style="list-style-type: none"> <li>• Types of companies</li> <li>• Advantages and disadvantages of the company form</li> <li>• Forming and administering a company</li> <li>• Owners equity in a company</li> <li>• Preference Shares</li> <li>• Dividends</li> <li>• Reserves</li> <li>• Company financial statements (focus on Statement of Financial Performance)</li> <li>• External Reporting Requirements</li> </ul>	HEM Ch. 16 pp.627-636 (up to but not including 'Accounting for Share Issues') and pp.643-651 (up to but not including 'Income Tax') HEM Ch. 23	Due Week 10  HEM Ch. 16 Discussion Questions: 2 & 4 p.660  HEM Ch. 23 Discussion Questions: 1 & 3, p.924 Exercise: 23.6, p.926 Problem: 23.4 & 23.7(A) only pp.929-932 Ethical Issue: p.936
10	<b>Regulation &amp; the Conceptual Framework</b> <ul style="list-style-type: none"> <li>• Regulation &amp; accounting standards</li> <li>• The Conceptual Framework</li> <li>• The Reporting Entity</li> <li>• Objectives of Financial Reporting</li> <li>• Qualitative Characteristics of Financial Information</li> <li>• Definition of elements in financial Statements</li> </ul>	HEM Ch. 17 pp.675-693 (up to but not including 'Recognition of the Elements')	Due Week 11  HEM Ch.17 Discussion Questions: 1 & 2 p.702 Exercise: 17.1 & 17.2, p.703 Ethical Issues: pp.712-713
11	<b>Introduction to the Statement of Cash Flows (SCF)</b> <ul style="list-style-type: none"> <li>• Purpose of the SCF</li> <li>• Format of the SCF</li> <li>• Concept of Cash</li> <li>• Operating, Investing, Financing activities</li> <li>• Limitations of the SCF</li> </ul>	HEM Ch. 24 pp.939-960, (up to but not including 'Advanced Issues')	Due Week 12  HEM Ch. 24 Discussion Questions: 1 & 2, p.981 Exercise: 24.3, 24.7, 24.8, pp.983-986
12	<b>Introduction: Analysis &amp; Interpretation of Financial Statements</b> <ul style="list-style-type: none"> <li>• Sources of financial information</li> <li>• The need for analysis</li> <li>• Introduction to ratio analysis</li> <li>• Course review</li> </ul>	HEM Ch. 25	Due Week 13  HEM Ch. 25 Discussion Questions: 1 & 4, p.1028 Exercise: 25.4, 25.5, 25.8. pp.1030-1032

