



DIVISION OF ECONOMIC AND FINANCIAL STUDIES
ACCG323 FINANCIAL ACCOUNTING THEORY AND PRACTICE

UNIT OUTLINE

Year and Semester:	Semester 2, 2008
Unit convenor:	Shrutika Chugh
Prerequisites:	ACCG101 (P); 39 cp; Admission to BCom - Accounting

You should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

The unit is a mandatory requirement for students wishing to enter into the accounting programs offered by both professional accounting bodies, namely CPA Australia and The Institute of Chartered Accountants in Australia (ICAA) upon completion of their undergraduate degree. This unit is a combination of both financial accounting theory and practice at an advanced level. The objectives of the unit are for students to critically evaluate financial accounting information and standards through an understanding of the different theoretical and philosophical approaches to accounting that have evolved over time. Students also develop their technical accounting skills through an understanding of selected accounting standards. This unit also allows students to develop their generic skills, particularly their analytical, critical and interpersonal skills. The unit requires students to read a series of chapters and selected papers and/or articles, prepare reports or critiques of this material and present their ideas in both written and oral forms in class on a weekly basis. This requirement provides students with the opportunity to develop their ability to analyse, reason logically, conceptualise and construct arguments (analytic skills), to think and act critically (appreciative skills), to write reports (routine skills) and to present, discuss and defend views (interpersonal skills). Assessment is based on both the technical content and generic skill demonstration.

TEACHING STAFF

The full-time staff members teaching on the unit are as follows:

<u>Name</u>	<u>Location</u>	<u>Contact No.</u>	<u>Email</u>	<u>Role</u>
Ms. Shrutika Chugh	E4A 213	9850 8572	shrutika.chugh@efs.mq.edu.au	Lecturer-in-Charge
Associate Professor Lorne Cummings	E4A 327	9850 8531	lcumming@efs.mq.edu.au	Lecturer
Associate Professor Elaine Evans	E4A 331	9850 6477	eevans@efs.mq.edu.au	Lecturer
Ms. Colly He	E4A 254	9850 8520	lhe@efs.mq.edu.au	Unit Administrator

All full time (and some part-time) staff teaching on the unit are available for individual consultation with students for a designated 2 hours per week. A staff consultation timetable outlining the availability of staff will be posted on the ACCG323 webpage at <http://learn.mq.edu.au/> where you can login to “Blackboard”. Although access to staff rooms are restricted for security reasons on most levels within the E4A building, staff can be accessed on the internal telephones by dialling the last 4 digits of the staff telephone number. Internal telephones are located in ERIC and outside the lift area on each level within the E4A building.

CLASSES

The structure of the unit is a weekly two hour lecture and a weekly two hour small group tutorial. The timetable for classes can be found on the University web site at: <http://www.timetables.mq.edu.au/>

Due to the large number of students enrolled in ACCG 323 changes to lecture and tutorial times are managed by the on-line enrolment system. It is not necessary to contact members of staff about tutorial changes. On-line enrolment changes to tutorials will be shut down at the end of **Week 3** so all changes must be made by then.

UNIT WEB PAGE

Students should refer to the unit webpage for all lecture notes, tutorial material, updates, announcements and general unit information. You can access the ACCG 323 webpage at <http://learn.mq.edu.au/> where you can login to “Blackboard” (formerly WebCT).

REQUIRED AND RECOMMENDED TEXTS

Students **must** have a copy of the following books (all available in the Macquarie bookshop).

- **Cummings, L. and P. Chand. *Financial Accounting Theory and Practice* – 4th edition, a custom publication by McGraw-Hill, 2008.**

The above mentioned ‘Cummings & Chand’ text is a compilation of selected chapters from both Deegan texts: *Financial Accounting Theory - 2nd Edition* and *Australian Financial Accounting - 5th Edition*, offered by McGraw-Hill Australia.

- **Macquarie University, *Readings Booklet in ACCG323, 2008 (Semester 1 or 2) or 2007 (Semester 1 or 2).***
- ***Accounting Handbook 2008: Pearson Education, Australia.***

Students are strongly recommended to purchase this handbook. However, if you wanted to save on costs, copies of accounting standards can be downloaded for free from the ACCG323 website or from the AASB website at <http://www.aasb.com.au>.

In addition, students are advised to read articles from the financial press, in particular *The Australian Financial Review*, *The Australian* and the *Business Review Weekly (BRW)* magazine regularly, as the subject matter of this unit often comes up in topical business settings. This will broaden your understanding of the unit topics.

LEARNING OUTCOMES

The primary objective of this unit is to develop the written and verbal communication skills of students, in line with the generic skills requirements set out by the university. In particular, students will:

- Critically evaluate financial accounting information and standards through an understanding of the different theoretical and philosophical approaches to accounting that have evolved over time.
- Develop their technical accounting skills through an understanding of selected accounting standards.
- Develop their generic skills, particularly their analytical, critical and interpersonal skills.
- Develop their ability to analyse, reason logically, conceptualise and construct arguments (analytic skills), to think and act critically (appreciative skills), to write reports (routine skills) and to present, discuss and defend views (interpersonal skills).

TEACHING AND LEARNING STRATEGY

The unit relies heavily on assignment-based learning. In lectures, students are expected to grasp the main concepts and techniques that relate to the subject matter. In addition to the lecture materials it is expected that students will read specified references. Using the concepts and techniques presented in lectures or references, students are required to prepare solutions to weekly tutorial homework questions.

Lecture material for each week will not be distributed in class but will be available online at the ACCG323 unit webpage, in the week before the lecture. It is the student's responsibility to obtain a copy of the lecture notes before class, in order to make the appropriate notes during lectures. The solutions to weekly tutorial homework questions will be discussed in tutorials in the week following the designated lecture. It is expected that tutors will lead and manage the discussion of tutorial questions and that students will actively participate in the tutorial setting. The tutorials should be viewed by students as an active forum for any problems or difficulties that they are experiencing with the subject matter. At the end of each week of tutorials, copies of the solutions to practical accounting problems and selected theory questions from the questions discussed in the tutorial will be placed on the unit webpage. For other theory questions, students are expected to have obtained a good summary of the main issues from their own study and from the tutorial discussion.

Please note: Hard copies of lecture notes and tutorial solutions will no longer be placed in ERIC. Students who wish to complete additional exercises from the textbooks may attempt these questions and then visit lecturers and tutors during consultation hours to obtain access to (but not photocopy) the solutions.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

In ACCG 323 you must demonstrate that you have satisfied all the learning objectives of the unit. The unit is taught by a weekly 2 hour lecture followed by a weekly 2 hour tutorial. Students are expected to attend tutorials (approx. 25 students to each tutorial). Students are required to read the designated tutorial material before each class and attempt all questions for that week.

The following weightings apply for unit assessment:

	<u>%</u>
Multi-Choice Tests	15
Tutorial Homeworks	10
Tutorial Presentation	5
Case-Study Assignment	15
Final Examination	<u>55</u>
	<u>100</u>

Students who attend less than 10 out of 12 tutorials may not be eligible to pass the unit.

Irrespective of accumulated marks, students must pass the final examination to gain a passing grade in this unit. Furthermore, irrespective of the total exam score, students must achieve satisfactory marks for each of the theoretical and the practical components of the final exam to pass the unit. The best preparation for the final exam is attentiveness in lectures, completion of the weekly tutorial questions and the discussion of these questions in the tutorials. In adhering to divisional policy, dictionaries will not be allowed into the final exam.

I. MULTI-CHOICE TESTS (15%)

Each week (commencing from week 2), there will be a short multi-choice test containing 10 questions that are to be completed at the end of each tutorial. The total assessment for the best 10 of the 12 tests will be 15% (1.5% each week) of the overall unit assessment. It is only possible to sit for these tests in your designated tutorial. If you do not attend, the test marks for that week are automatically forfeited. Since this assessment allows for some latitude (being your best 10/12 tests), it is expected that this will cover possible misadventure, sickness or whatever reason a student may have for missing a multiple-choice test. The test questions will be based on material learnt throughout the lecture and through the designated readings each week. The tests are to be undertaken closed book, with the exception of the Accounting Handbook, which you can use.

II. TUTORIAL HOMEWORKS (10%)

Five surprise tutorial homework collections will be held in your assigned tutorial from Week 2 to Week 13. Tutors will collect your written tutorial homework during 5 randomly selected weeks for the purpose of assessing whether or not you are making sufficient effort and completing these homeworks. This part of the assessment is worth 10%. You will receive a '2' in your homework if you have made a satisfactory attempt, a '1' if you have made an average attempt and a '0' if your homework is incomplete or if you have not submitted your homework.

Once again it is only possible to submit a copy of your tutorial homework in your designated tutorial. If you do not attend, the homework marks for that week are automatically forfeited. No extensions will be granted by tutors for submitting the tutorial homeworks late. Assignments may be checked for plagiarism or "copying" (within tutorials and across tutorials) and guilty parties (being the person/s who copied and the person/s who allowed the copying) will be subject to a detailed investigation by the Division. A reminder regarding plagiarism is attached as Appendix 1.

III. TUTORIAL PRESENTATION (5%)

The unit also contains an assessed tutorial presentation worth 5% of the overall assessment (presentation to be marked out of 10). Each student is required to prepare a 5 minute (absolute maximum) presentation on an article or publication of interest to financial accountants. The article must be a maximum of one month old. i.e. published within the 30 day period prior to your presentation. Older articles will not be accepted. The week of your presentation is to be organised by your tutor, and your tutor has the discretion to allocate a topic to you. Once again it is only possible to present your tutorial presentation in your designated tutorial. If you do not attend, the tutorial presentation mark for your designated week is automatically forfeited. The following list is provided as a guide on what to present:

- An article that has appeared in the journals of the Australian professional accounting bodies, i.e., *Charter* or *Australian CPA* (available from the Library);
- An article that has appeared in an academic Australian accounting journal, i.e., *Australian Accounting Review*, *Accounting and Finance*, *Abacus*, *Accounting Forum* or *Accounting Research Journal* (only the first three journals are available from the Library);
- An accounting based newspaper article located within either *The Australian Financial Review* or *The Australian* (the leading financial press).

Your audience may not be very familiar with the article or publication you have read. You are asked to take a “big picture” approach and present a simple overview of the main issues canvassed by the article. Do not simply read your written answer, as this will result in zero marks. Try to make it reasonably simple and interesting for your audience. It is expected that there will be 2 or 3 presentations in each tutorial with discretion left to tutors regarding the order of presentations. Notes or cards and the use of overheads are encouraged during the presentation.

According to Malouf (1990) there are ten major mistakes that speakers make when delivering¹. When delivering your presentation try not to fall into any of these mistakes:

- Failing to speak to time
- The material is not suited to the audience
- Information overload
- The material is too technical
- Poor preparation
- Failure to practice speech
- Distracting visuals/verbals/vocals
- Inappropriate pace
- Lack of eye contact
- Lack of enthusiasm

At the conclusion of all presentations students will receive an evaluation form from their tutors of their presentation providing feedback across a range of criteria, including those above, and a mark out of 10. A copy of the presentation feedback form is attached at Appendix 2.

1V. CASE STUDY ASSIGNMENT (15%)

The unit contains a case study assignment worth 15% of the overall assessment. The case study will be distributed in the lecture prior to the mid-term break.

The assignment must not exceed 2,000 words in length. The assignment must be word-processed, double spaced, on one side only of A4 paper, and properly referenced including a bibliography. It is expected that assignments will be completed over the vacation period 20th September to 6th October, 2008. In the lecture week prior to the mid-term break, students will be provided with a case study assignment. The case study assignment is due for submission without exception on or before 7pm Wednesday 8th October, 2008 and should be placed in a marked box inside ERIC (E4B106). You must attach the ‘individual assessment task’ cover sheet located on the ERIC website at <http://www.efs.mq.edu.au/services/eric.htm> with your assignment. Failure to attach the designated cover sheet with all fields completed will attract 0 marks. A deduction of 20% on the total assignment mark will be imposed each day for late submission. Assignments will be marked out of 15, and guidance to the answer will be provided at the time of feedback.

It is expected that students will be aware of the appropriate standard for assignment writing at university (including how to reference the work of other authors). Without exception any evidence of plagiarism discovered in submitted assignments will result in a detailed investigation by the

¹ Malouf, D. 1990. How to Create and Deliver a Dynamic Presentation. Simon & Schuster Australia.

Division, and may result in a fail in the unit and suspension from the University. A reminder regarding plagiarism is attached as Appendix 1 to this handout.

V. EXAMINATIONS (55%)

The University Examination period in Semester 2 of 2008 is from 19th November to 5th December. 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 the examinations and in Final form approximately four weeks before the commencement of the examinations on <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 at <http://www.reg.mq.edu.au/Forms/APSCon.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. 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, which 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: <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. See Appendix 1 for further details.

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 will also receive 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

Students who feel the need to improve their writing skills for assignment and examination purposes are strongly encouraged to attend the Writing Skills Program run by the Centre for Open Education (9850 7470), as outlined on p.68 of the 2008 Undergraduate Handbook. Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

A grade appeal procedure also exists to address very rare cases of procedural irregularity that may have occurred in the assessment of a student's performance. Details can be found at: http://www.efs.mq.edu.au/services/how_grade.htm. More information will be available at the final lecture.

CLASSROOM ETIQUETTE

Students are expected to arrive on time, certainly before five minutes past the hour, and not to leave until the class ends. If you have a recurring problem that makes you late, or forces you to leave early, you are required to discuss this with your lecturer/tutor.

Students are also expected to be quiet during lectures unless, of course, class participation is required. Mobile phones should be turned off during classes; not simply set to "silent".

SUMMARY OF ACCG323 PROGRAM: SEMESTER 2, 2008

<u>WEEK</u>	<u>DATES</u>	<u>LECTURE TOPIC</u>	<u>LECTURER</u>
1	04 Aug	The Australian Accounting Environment	S. Chugh
2	11 Aug	Introduction to Accounting Theory	L. Cummings
3	18 Aug	Normative Accounting Theory	L. Cummings
4	25 Aug	Positive Accounting Theory	E. Evans
5	01 Sept	Critical Dimensions in Accounting	E. Evans
6	08 Sept	Behavioural Research in Accounting	L. Cummings
7	15 Sept	Ethics in Accounting	L. Cummings
20th September to 6th October MID-SEMESTER BREAK (2 Weeks Break)			
8	07 Oct	International Harmonisation of Accounting	L. Cummings
9	13 Oct	Accounting for Leases	L. Cummings
10	20 Oct	Accounting for Intangible Assets	S. Chugh
11	27 Oct	Accounting for Employee Benefits	S. Chugh
12	03 Nov	Accounting for Heritage Assets and Biological Assets	S. Chugh
13	10 Nov	Guest Lecturer and Revision	S. Chugh

WEEK 2
THE AUSTRALIAN ACCOUNTING ENVIRONMENT

Readings

- a) Deegan, C., [2007], “An Overview of the Australian External Reporting Environment”, Chapter 1 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 4–51. 📖
(Refer Textbook - Chapter 1, pp. 2-49)
- b) Deegan, C., [2006], “The Regulation of Financial Accounting”, Chapter 3 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 52–91. 📖 **(Refer Textbook- Chapter 3, pp. 50-89)**
- c) Bruns, W. J., [2004], “Diversity in Accounting Principles: A Problem, a Strategic Imperative, or a Strategic Opportunity?”, Harvard Business School Accounting Cases, pp. 1–12. 📖 **(Refer Textbook, pp. 91-102)**
- d) Fuller, J., [2004], “The Accounting Transparency Gap”, *Harvard Management Update*, pp. 1–4. 📖 **(Refer Textbook, pp. 103-106)**
- e) Hayes, R. S. and Baker, R., [2004], “Using a Folk Story to Generate Discussion about Substance over Form”, *Accounting Education*, Vol. 13 (2), pp. 267–284. 📁 **(Refer Readings Booklet)**
- f) The Institute of Chartered Accountants of Scotland, [2006], “Principles not Rules: A Question of Judgement”, pp. 1–17. Retrieved January 10, 2007, from <http://www.icas.org.uk/> 📁 **(Refer Readings Booklet)**

Tutorial Homework Questions

- 1. Deegan – Review Question 1 (p.46 of the textbook)
- 2. Deegan – Review Question 6 (p.46 of the textbook)
- 3. Deegan – Review Question 10 (p.46 of the textbook)
- 4. Deegan – Review Question 3.1 (p.81 of the textbook)
- 5. Deegan – Review Question 3.21 (p.85 of the textbook)
- 6. Refer to the Bruns reading.
 - a) What are ‘Generally Accepted Accounting Principles’ or GAAP?
 - b) Why could organizations be using accounting methods and principles which are ineffective or incorrect?
- 7. Refer to the Fuller reading.

What is the author referring to when he says that there are differences between accounting

practice and what is practiced in business today?

8. Refer to the Hayes and Baker reading.

Explain what you believe to be the substance of the 'Trading Dialogue for Lodging' story. What does it say about substance? About form? How does this apply to accounting standards setting?

9. Refer to The Institute of Chartered Accountants of Scotland reading.

Explain how rules-based accounting standards may increase the complexity of accounting standards in comparison with principles-based standards. Why is principles-based accounting standards preferred over rules-based standards?

WEEK 3
INTRODUCTION TO ACCOUNTING THEORY

Readings

- a) Deegan, C., [2006], “Introduction to Financial Accounting Theory”, Chapter 1 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 2–29. 📖 (**Refer Textbook, pp. 108-135**)
- b) Deegan, C., [2007], “Theories of Financial Accounting”, Chapter 3 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 88–151. 📖 (**only pp. 137-139 of Textbook**)
- c) Sterling, R. R., [1970], “On Theory Construction and Verification”, *The Accounting Review*, Vol. 45 (3), pp. 444–457. 📁 (**Refer Readings Booklet**)

Tutorial Homework Questions

- 1. Deegan – Question 1.4 (p.132 of the textbook)
- 2. Deegan – Question 1.10 (p.133 of the textbook)
- 3. Deegan – Question 1.12 (p.133 of the textbook)
- 4. Deegan – Question 1.13 (p.133 of the textbook)
- 5. Deegan – Question 1.17 (p.133 of the textbook)
- 6. Deegan – Question 1.19 (p.133 of the textbook)
- 7. Deegan – Question 1.21 (p.133 of the textbook)
- 8. Prepare a summary (of at least one page) of Sterling (1970). Identify the key issues raised in the article and discuss their relation to the content of the lecture.

WEEK 4
NORMATIVE ACCOUNTING THEORY

Readings

- a) AASB – ‘Framework for the Preparation and Presentation of Financial Statements’. 📄
(ACCG323 website or Accounting Handbook)
- b) Deegan, C., [2007], “Theories of Financial Accounting”, Chapter 3 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 88–151. 📖 **(only pp. 162-167 of Textbook)**
- c) Deegan, C., [2006], “Normative Theories of Accounting – The Case of Accounting for Changing Prices”, Chapter 5 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 128–173. 📖 **(Refer Textbook, pp. 202-247)**
- d) Deegan, C., [2006], “Normative Theories of Accounting – The Case of Conceptual Framework Projects”, Chapter 6 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 174–213. 📖 **(Textbook, pp. 248-287)**

Tutorial Homework Questions

- 1. Deegan – Review Question 17 (p.187 of the textbook)
- 2. Deegan – Question 5.3 (p.243 of the textbook)
- 3. Deegan – Question 5.5 (p.243 of the textbook)
- 4. Deegan – Question 5.8 (p.244 of the textbook)
- 5. Deegan – Question 5.13 (p.244 of the textbook)
- 6. Deegan – Question 5.14 (p.244 of the textbook)
- 7. Deegan – Question 5.15 (p.244 of the textbook)
- 8. Deegan – Question 6.12 (p.284 of the textbook)
- 9. Deegan – Question 6.18 (p.285 of the textbook)

WEEK 5 POSITIVE ACCOUNTING THEORY

Readings

- a) Deegan, C., [2006], “Positive Accounting Theory”, Chapter 7 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 214–269. 📖 (Refer Textbook, pp. 290-345)
- b) Deegan, C., [2007], “Theories of Financial Accounting”, Chapter 3 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 88–151. 📖 (only pp. 139-162 of textbook)

Tutorial Homework Questions

- 1. Deegan – Question 7.6 (p.338 of the textbook)
- 2. Deegan – Question 7.10 (p.338 of the textbook)
- 3. Deegan – Question 7.11 (p.338 of the textbook)
- 4. Deegan – Review Question 12 (p.187 of the textbook)
- 5. Deegan – Review Question 14 (p.187 of the textbook)
- 6. Deegan – Review Question 19 (p.187 of the textbook)
- 7. Deegan – Review Question 20 (p.187 of the textbook)
- 8. Deegan – Review Question 26 (p.187 of the textbook)
- 9. Deegan – Review Question 32 (p.190 of the textbook)

WEEK 6 CRITICAL DIMENSIONS IN ACCOUNTING

Readings

- a) Deegan, C., [2006], “Extended Systems of Accounting – The Incorporation of Social and Environmental Factors within External Reporting”, Chapter 9 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 326–399. 📖 (Refer Textbook, pp. 348- 421)
- b) Deegan, C., [2006], “Critical Perspective’s of Accounting”, Chapter 12 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 454–483. 📖 (Refer Textbook, pp. 422-451)
- c) Hines, R. D., [1989], “Financial Accounting Knowledge, Conceptual Framework Projects and the Social Construction of the Accounting Profession”, *Accounting, Auditing and Accountability Journal*, Vol. 2 (2), pp. 72–92. 📖 (Readings Booklet)
- d) Lehman, C. R., [1992], “Herstory in Accounting: the First Eighty Years”, *Accounting, Organisations and Society*, Vol. 17 (3/4), pp. 261–285. 📖 (Readings Booklet)
- e) Walters, K., [2003], “Big Four, Big Worry”, *Business Review Weekly*, April 10–16, pp. 50–53. 📖 (Readings Booklet)

Tutorial Homework Questions

1. Deegan – Question 9.2 (p.411 of the textbook)
2. Deegan – Question 9.4 (p.411 of the textbook)
3. Deegan – Question 9.11 (p.411 of the textbook)
4. Deegan – Question 12.6 (p.447 of the textbook)
5. Deegan – Question 12.12 (p.447 of the textbook)
6. Refer to the Hines reading.

From a socio-political context, what are 4 main problems that threaten the legitimacy of the accounting profession, and what role can the Conceptual Framework play in socialising/politicising the accounting profession?

7. Refer to the Lehman reading.

Lehman states that from the perspective of accounting, feminism can be separated into three general classifications. Briefly describe these classifications, and outline how women have progressed in accounting through the different time frames of the 20th century (1900–1920, 1920–1940, 1940–1960, 1960–1980, the 1980’s). In light of your own opinion, to what

extent have women progressed in the last 10 years, and do the views of Lehman still have relevance today?

8. Refer to the Walters reading.

To what degree do you think accounting firms should be restricted in the services that they provide to a particular client? Are the current problems in the accounting profession with respect to independence, a reflection of the failure of the accounting profession itself, or inherent in a system whereby audits are carried out by private organizations with a profit motive?

WEEK 7
BEHAVIOURAL RESEARCH IN ACCOUNTING

Readings

- a) Deegan, C., [2006], “Reactions of Individuals to Financial Reporting: An Examination of Behavioural Research”, Chapter 11 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 434–453. 📖 **(Refer Textbook, pp. 454-473)**
- b) Maines, L. A., [1994], “The Role of Behavioral Accounting Research in Financial Accounting Standard Setting”, *Behavioral Research in Accounting*, Vol. 6 (Supplement), pp. 204–212. 📖 **(Readings Booklet)**
- c) Berry, R. H. and Waring, A., [1995], “A User Perspective on Making Corporate Reports Valuable”, *British Accounting Review*, Vol. 27, pp. 139–152. 📖 **(Readings Booklet)**

Tutorial Homework Questions

- 1. Deegan – Review Question 11.2 (p.470 of the textbook)
- 2. Deegan – Review Question 11.8 (p.470 of the textbook)
- 3. Deegan – Review Question 11.10 (p.471 of the textbook)
- 4. Deegan – Review Question 11.11 (p.471 of the textbook)
- 5. Deegan – Review Question 11.12 (p.471 of the textbook)
- 6. Refer to the Maines reading.

What was the central theme of the article with respect to the ways in which behavioral accounting research can contribute to accounting standard setting? What are some of the limitations of behavioral research in accounting?

- 7. Refer to Berry and Waring reading.

Critically evaluate the McMonnies’ proposal for reforming the financial reporting framework (comment on the following Cash Flow Statements, Asset Valuation, Profit, Future-oriented Information and Non-financial Information). Identify some of the changes in the financial reporting framework since 1995 (including the changes in the structure and content of the financial reports).

WEEK 8
ETHICS IN ACCOUNTING

Readings

- a) Accounting Professional Ethics and Standards Board, “APES 110 - Code of Ethics for Professional Accountants”. 🌐 (ACCG323 website)
- b) Kaplan, R. S. and Kiron, D., [2005], “Accounting Fraud at WorldCom”, *Harvard Business School Cases – Social Enterprise and Ethics*, McGraw-Hill, pp. 1–18. 📖 (Refer Textbook, pp. 477-494)
- c) Lawrence, A. T., [2004], “The Collapse of Enron”, Case 30 - Cases in Crafting and Executing Strategy in *Thompson—Gamble-Strickland: Strategy, Winning in the Marketplace*, McGraw-Hill, pp. C555–C567. 📖 (Refer Textbook, pp. 495-507)
- d) Meigs-Meigs., [1993], “Professional Judgment and Ethics in Accounting”, Chapter 15 in *Meigs-Meigs: Financial Accounting*, McGraw-Hill, pp. 1–20. 📖 (Refer Textbook, pp. 508-527)
- e) Perks., [2004], “Creative Accounting, Chapter 8 in *Financial Accounting for Non-Specialists*, McGraw-Hill, pp. 209–238. 📖 (Refer Textbook, pp. 529-558)
- f) Charles, E., [2002], “Bad Company”, *Australian CPA*, August, pp. 28–33. 📁 (Readings Booklet)
- g) Louwers, T. J. and Radtke, R. R., [1995], “Misleading Annual Report Presentation: Ethical and Financial Considerations”, *Research on Accounting Ethics*, Vol. 1, pp. 349–361. 📁 (Readings Booklet)

Tutorial Homework Questions

- 1. What do you think is the purpose of having a ‘Code of Ethics for Professional Accountants’?
- 2. Refer to the Charles reading.

What was the central theme of the article with respect to the cause of many of the corporate collapses?
- 3. Refer to the Kaplan and Kiron article.

What were the specific accounting problems that led to the collapse of WorldCom, and do you think it was ethical for Cynthia Cooper to raise these problems with the board, which ultimately led to WorldCom’s bankruptcy?

4. Refer to the Lawrence article.

What methods did Enron use to engage in creative accounting? In your opinion, what similar characteristics did both Enron and WorldCom share in their approach to business?

5. Enron's use of SPE's allowed it to transfer assets and liabilities to entities that received their financing from bank loans guaranteed by Enron. What was the legal form of these transactions? What was the economic substance?

6. Meigs-Meigs – Discussion Question 7 (p.524 of the textbook)

7. Perks – Self-testing Question 4 (p.556 of the textbook)

8. Perks – Assessment Question 3 (p.556 of the textbook)

9. Perks – Group Activities and Discussion Question 6 (p.557 of the textbook)

WEEK 9
INTERNATIONAL HARMONISATION OF ACCOUNTING

Readings

- a) Barker, R. G., [2004], “Global Accounting is Coming”, *Harvard Business Review Accounting Articles*, McGraw-Hill, pp.1–3. 📖 (Refer Textbook, pp. 560-562)
- b) Deegan, C., [2006], “International Accounting”, Chapter 4 in *Financial Accounting Theory*, Second Edition, McGraw-Hill, pp. 92–127. 📖 (Refer Textbook, pp. 564-599)
- c) Douppnik, T. S. and Perera, M. H. B., [2007], “International Harmonization of Financial Reporting”, Chapter 3 in *International Accounting*, McGraw-Hill, pp. 74–110. 📖 (Refer Textbook, pp. 600-636)
- d) Baydoun, N. and Willet, R., [1995], “Cultural Relevance of Western Accounting Systems to Developing Countries”, *ABACUS*, Vol. 31 (1), pp. 67–92. 📁 (Readings Booklet)
- e) Pacter, P., [2005], “What Exactly is Convergence?”, *International Journal of Accounting, Auditing and Performance Evaluation*, Vol. 2 (1/2), pp. 67– 83. 📁 (Readings Booklet)
- f) Buffini, F., [2006], “Called to Account on a Global Scale”, *The Australian Financial Review*, Friday 28 July. Retrieved January 10, 2007, from <http://www.afr.com> 📁 (Readings Booklet)

Tutorial Homework Questions

- 1. Deegan – Question 4.4 (p.597 of the textbook)
- 2. Deegan – Question 4.18 (p.598 of the textbook)
- 3. Douppnik-Perera – Question 7 (p.633 of the textbook)
- 4. Douppnik-Perera – Question 15 (p.633 of the textbook)
- 5. Douppnik-Perera – Exercise 4 (p.634 of the textbook)
- 6. Refer to the Barker reading.

The author suggests that there will be significant changes to the income statements due to the convergence between FASB and IASB. With examples, identify the changes that will take place in the income statements.

- 7. Refer to the Baydoun and Willet reading.

The authors emphasise that many accounting systems are imported from other countries with possibly different cultures. Identify a number of problems in testing the Hofstede-Gray theory in relation to the author’s findings.

- 8. Refer to the Pacter reading.

What are some of the arguments in favor of convergence identified in the article?

9. Refer to the Buffini reading.

Why is consistency in interpretation of accounting standards so important in achieving convergence?

WEEK 10
ACCOUNTING FOR LEASES

Readings

- a) AASB 117: Accounting for Leases. 📄 (ACCG323 website or Accounting Handbook)
- b) Deegan, C., [2007], “Accounting for Leases”, Chapter 11 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 394–439. 📖 (Refer Textbook, pp. 638-683)

Tutorial Homework Questions

- 1. Deegan – Review Question 4 (p.677 of the textbook)
- 2. Deegan – Review Question 5 (p.678 of the textbook)
- 3. Deegan – Review Question 6 (p.678 of the textbook)
- 4. Deegan – Review Question 8 (p.678 of the textbook)
- 5. Deegan – Review Question 13 (p.679 of the textbook)
- 6. Deegan – Challenging Question 19 (p.682 of the textbook)
- 7. Deegan – Challenging Question 21 (p.682 of the textbook)

* Present value tables are located between p.808–814 of the textbook.

DUE WEEK 11
ACCOUNTING FOR INTANGIBLE ASSETS

Readings

- a) AASB 138: Intangible Assets 📄 (**ACCG323 website or Accounting Handbook**)
- b) Deegan, C., [2007], “Accounting for Intangibles”, Chapter 8 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 268–319. 📖 (**Refer Textbook, pp. 686-737**)
- c) Abeysekera, I., [2002], “Mind over matter”, *CA Charter*, Sydney, July, pp. 58–59. 📁 (**Readings Booklet**)
- d) Abeysekera, I., [2004], “IC Eye”, *Financial Management*, May, pp. 28–29. 📁 (**Readings Booklet**)

Tutorial Homework Questions

- 1. Deegan – Review Question 6 (p.726 of the textbook)
- 2. Deegan – Review Question 11 (p.726 of the textbook)
- 3. Deegan – Review Question 12 (p.727 of the textbook)
- 4. Deegan – Review Question 15 (p.727 of the textbook)
- 5. Deegan – Review Question 16 (p.727 of the textbook)
- 6. Deegan – Challenging Question 29 (p.733 of the textbook)
- 7. Deegan – Challenging Question 33 (p.734 of the textbook)
- 8. Refer to the Abeysekera “IC Eye” reading.
 - a) Give examples of intellectual capital items by intellectual capital category.
 - b) Why is there a limited amount of quantitative information on intellectual capital reporting?
 - c) What did the study expect and did the findings satisfy the expectations?
- 9. Refer to the Abeysekera “Mind over Matter” reading.
 - a) Describe intellectual assets by internal, external, and human assets.
 - b) Give examples of emotional assets.
 - c) Why should firms pay attention to emotional assets?
 - d) As an accountant how can you help firms to manage emotional assets to increase the market value of the firm?

WEEK 12
ACCOUNTING FOR EMPLOYEE BENEFITS

Readings

- a) AASB 119: Employee Benefits  (**ACCG323 website or Accounting Handbook**)
- b) Deegan, C., [2007], “Accounting for Employee Benefits”, Chapter 13 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 450–477.  (**Refer Textbook, pp. 740-767**)

Tutorial Homework Questions

- 1. Deegan – Review Question 2 (p.764 of the textbook)
- 2. Deegan – Review Question 8 (p.764 of the textbook)
- 3. Deegan – Review Question 9 (p.764 of the textbook)
- 4. Deegan – Review Question 10 (p.764 of the textbook)
- 5. Deegan – Review Question 13 (p.764 of the textbook)
- 6. Deegan – Review Question 14 (p.764 of the textbook)
- 7. Deegan – Review Question 15 (p.765 of the textbook)
- 8. Deegan – Challenging Question 18 (p.765 of the textbook)
- 9. Deegan – Challenging Question 19 (p.766 of the textbook)

WEEK 13
ACCOUNTING FOR HERITAGE ASSETS AND BIOLOGICAL ASSETS (FINAL TUTORIAL)

Readings

- a) AASB 141: Agriculture 📄 (**ACCG323 website or Accounting Handbook**)
- b) Deegan, C., [2007], “Accounting for Heritage Assets and Biological Assets”, Chapter 9 in *Australian Financial Accounting*, Fifth Edition, McGraw-Hill, pp. 320–357. 📖 (**Refer Textbook, pp. 770-807**)
- c) Burritt, R. L. and Cummings, L. S., [2002], “Accounting for Biological Assets – The Experience of an Australian Conservation Company”, *Asian Review of Accounting*, Vol. 10 (2), pp. 17–42. 📁 (**Readings Booklet**)
- d) Carnegie, G. and Wolnizer, P., [1999], “Unravelling the Rhetoric about Financial Reporting of Public Collections as Assets”, *Australian Accounting Review*, Vol. 9 (1), pp. 16–21. 📁 (**Readings Booklet**)
- e) Muldowney, S., [2002], “Seeing the Bigger Picture”, *Australian CPA*, June, pp. 38–40. 📁 (**Readings Booklet**)

Tutorial Homework Questions

- 1. Deegan – Review Question 2 (p.805 of the textbook)
- 2. Deegan – Review Question 5 (p.805 of the textbook)
- 3. Deegan – Review Question 12 (p.806 of the textbook)
- 4. Deegan – Review Question 13 (p.806 of the textbook)
- 5. Deegan – Challenging Question 17 (p.806 of the textbook)
- 6. Deegan – Challenging Question 18 (p.806 of the textbook)
- 7. Refer to the Burritt and Cummings reading.

Examine the valuations inherent in the “economic accounts” of Earth Sanctuaries Ltd prior to the adoption of AASB 1037 “Self-Generating and Re-Generating Assets” in 1999.

- a) What do the authors have to say with respect to the relevance and reliability of the asset figures contained in these “economic accounts”?
- b) Do you feel Earth Sanctuaries was justified in preparing these alternative “economic accounts” alongside conventional financial accounts? What was the company trying to achieve?

- c) Should endangered wildlife be allowed to be actively traded on an open market, and if so, would it protect endangered species and increase their numbers?

8. Refer to the Carnegie and Wolnizer reading.

Evaluate C & W's argument that because public collections are valued for their cultural, heritage, scientific and educative qualities they cannot be valued in monetary terms.

9. Refer to the Muldowney reading.

The finance manager of the National Gallery of Victoria states that trying to put an economic value on gallery items can be 'nasty and contentious'. What does he mean by this?

APPENDIX 1

THE DANGERS OF CHEATING AND PLAGIARISM AND HOW TO AVOID THEM

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 PLAGIARISM?

The Academic Senate in June 2001 approved policies and procedures to ensure that the University takes a consistent and equitable approach to plagiarism. The Senate adopted the following definition of plagiarism.

Definition: Plagiarism involves using the work of another person and presenting it as one's own. Any of the following acts constitutes plagiarism unless the source of each quotation or piece of borrowed material is clearly acknowledged.

- a) copying out part(s) of any document or audio-visual material (including computer based material);
- b) using or extracting another person's concepts, experimental results, or conclusions;
- c) summarising another person's work;
- d) in an assignment where there was collaborative preparatory work, submitting substantially the same final version of any material as another student.

Encouraging or assisting another person to commit plagiarism is a form of improper collusion and may attract the same penalties which apply to plagiarism.

Opportunities and temptations for plagiarism have increased with the spread of internet access. Plagiarism is a serious threat to the teaching and accreditation process, and seriously undermines the collegial and ethical principles which underpin the work of a University.

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.
- it devalues the grades and qualifications gained legitimately by other students.

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 tutor and/or lecturer. The University also offers help through the Dean of Students or the University Health and Counselling 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.

HOW TO PLAY IT 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 all 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.

APPENDIX 2

FEEDBACK ON PRESENTATION

Name:

The presentation contains a weighting of 5% of overall assessment, but the presentation will be marked out of 10. A score of 1 indicates that your presentation was not satisfactory while a score of 10 indicates an excellent effort.

Use of Key Questions

- at the beginning for focus
- during (to give structure and to stimulate curiosity)

Promoting Clarity

- new terms are defined
- the level of vocabulary used indicated awareness of the learners capacity
- word choice was precise and apt
- sentence structure was straight forward
- speech was fluent
- vagueness and excessive qualification were avoided
- pacing matched the complexity of the topic and capacity of the audience

Using Examples

- a sufficient number were used to promote understanding
- relevant to the topic being explained
- matched the levels of thinking and experiences within the group

Forming Connections

- linking words were used to indicate cause, result, or purpose
- the pattern or structure showed clearly the relations between generalisations and examples
- main points were *summarised* progressively or at end

Making Emphasis

- by variation in voice qualities, such as volume, stress or tone
- by selective repetition, para-phrasing of ideas, or enumeration of main points

Visual Techniques

- pictures, diagrams, demonstrations, or actual objects used to enhance understanding & provide variation

Monitoring feedback

- In a real teaching setting you would also use questions to locate problems in understanding, then adjust pace, or, add more examples, or, clarify or reiterate

Acknowledgment: - Form written by *Fran Everingham* - Health Science Education, Faculty of Health Sciences, The University of Sydney.