



**ACCG855 CORPORATE ACCOUNTING
UNIT OUTLINE—SEMESTER 1, 2010**

Year and Semester: Semester 1, 2010

Unit convenor: Emma Holmes

Prerequisites: ACCG862 Financial Accounting (P)

Students in this unit 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

- ACCG855 is the third unit in the financial accounting sequence of units within the Masters of Accounting (Professional), following on from ACCG862 Financial Accounting, which is a prerequisite. ACCG855 is a core unit of study for students intending to study the further programs offered by CPA Australia or the Institute of Chartered Accountants in Australia.
- This unit focuses on the accounting issues that pertain to the corporate form of organisations operating in the private sector. It commences with an in-depth study of the requirements for the preparation of financial statements for a group of companies operating under common control and continues onto examining accounting issues pertaining to foreign operations and accounting for other types of investments.
- Students successfully completing this unit will be awarded 3 credit points.

TEACHING STAFF

Unit convenor: EMMA HOLMES
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Lecturer: LEISA HENNESS
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E-mail: lhenness@optusnet.com.au

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

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

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

CLASSES

This unit offers one 3 hour class per week as follows:

Monday	9am-12pm	C5A 304	Emma Holmes
Monday	12pm-3pm	C5A 304	Emma Holmes
Thursday	6pm-9pm	C5A 304	Leisa Henness

The timetable for classes can be found on the University web site at:
<http://www.timetables.mq.edu.au/>

You **MUST** attend only the class in which you are enrolled. In the event that you have to attend an alternative class for a particular week you are required to notify your lecturer in advance of attending the alternate class.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Prescribed texts

Picker, Leo, Loftus, Clarke and Wise, ***Australian Accounting Standards***, 2nd ed. John Wiley & Sons Australia Ltd, 2009

Prescribed unit materials

ACCG855 Weekly lecture notes. Available on the Macquarie University online teaching facility:
learn.mq.edu.au

UNIT WEB PAGE

The web page for this unit can be found at: learn.mq.edu.au

LEARNING OBJECTIVES AND OUTCOMES

The learning outcomes of this unit are:

- Prepare consolidated financial statements, including:
 - Determine when companies are required to prepare consolidated financial statements
 - Identification and recognition of fair value adjustments
 - Calculation and treatment of goodwill and excess
 - Accounting for intra-entity transactions and balances
 - Accounting for non-controlling interest, direct and indirect
- Account for investments in foreign operations, including:
 - Determining the functional currency of foreign operations
 - Translate the financial statements of foreign operations
 - Prepare consolidation journals in respect of investments in foreign subsidiaries
 - Account for a net investment in a foreign investment
- Determine and apply the appropriate accounting treatment for investments in associates
- Determine and apply the appropriate accounting treatment for interests joint ventures
- Compare and contrast the consolidation, equity and joint venture methods of accounting.
- Identify relevant disclosures in an entity's consolidated financial report.

In addition to the discipline-based learning objectives, 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 written communication, critical analysis and creative thinking.

TEACHING AND LEARNING STRATEGY

- Page 9 of this outline contains a list of the topics that will be covered in classes over the duration of the semester. Also included are details of weekly readings, weekly homework questions and additional self-study questions.

Class structure

- Each session will involve a tutorial segment, discussing assigned weekly homework questions from the previous week. The session will then continue with a lecture covering the next topic.
- You are **not** required to have completed the weekly reading prior to attending the weekly lecture. However, the content within the readings is examinable and you are expected to have completed the readings prior to attempting relevant assessment tasks.

Weekly homework questions (mandatory)

- You are required to prepare solutions to the weekly homework questions prior to attending the following class. As solutions to selected weekly homework questions will be discussed in class, this gives you an opportunity to discuss any problems or difficulties you are experiencing with the subject content.
- Solutions to weekly homework questions will be placed online (learn.mq.edu.au) in accordance with the timetable on page 9 of this outline.

Additional self-study questions (optional)

- Solutions to additional weekly self-study questions for all weeks will be placed online (learn.mq.edu.au) at the beginning of the semester. For theory questions, brief summaries are included in the solutions to add to your own work and notes from discussion in the session.

Solutions to the in class case studies will be discussed in classes but will not be posted online.

Communication skills

To assist students in developing their communication skills a session will be run during normal class time by representatives from CME during the week commencing 19 April.

This session will be focussed on report writing. The session will be interactive and attendance is **compulsory** for all students. Material covered in this session will be assessed as part of the written assignment.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

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

i)	Computer based assignments	15
ii)	Mid-term examination	35
iii)	Written assignment	15
iv)	Final examination	<u>35</u>
		<u>100</u>

i) Computer based assignments

Date: various (refer below for details)

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

Assignment #	Topics covered	% age	Due date	Feedback available
1	2 & 3	5	Mon classes – 10pm Tues 16 th March Thurs class – 10pm Fri 19 th March	Mon 22 nd March
2	4 & 5	5	Mon classes – 10pm Tues 30 th March Thurs class – 10pm Fri 2 nd April	Mon 5 th April
3	8	5	Mon classes – 10pm Tues 11 th May Wed class – 10pm Fri 14 th May	Mon 17 th May
TOTAL WEIGHTING		15		

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

A penalty of 50% per day (or part thereof) for late submission will be applied to each assignment. Any assignment submitted more than 2 days late will receive a mark of zero.

Results and individual feedback will be provided by e-mail for each assignment by the dates specified above.

ii) Mid Term Examination

Date: Saturday 10th April 2010, time and location TBA

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

The mid semester examination will be a 2 ½ hour written exam. This examination will examine material covered in topics 1 to 6. The examination will comprise of a number of written questions as well as multiple choice questions.

Results for the mid-term examination will be placed on the ACCG855 website no later than Friday 23rd April 2010. A breakdown of the total marks between those received for the written component and those received for the multiple choice component will be provided.

iii) Written Assignment

Due: Noon, Friday 21st May 2010

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

Details of the assignment will be available online no later than Thursday 15th April 2010.

All students will be required to submit assignments electronically to the *Turnitin* website. When you submit your assignment the *Turnitin* website will produce an **Originality Report**. The **Originality Report** must be printed and submitted in hard copy with your assignment.

You will require the information below to use *Turnitin* as a student enrolled in ACCG855.

Class ID: 3102502
Enrolment Password: ACCG855

You will need the above *Class ID* and *Enrolment Password* when you add this unit to your existing Turnitin user profile. If you need help with this you should refer to section 3 "Enrolling in a new Class" of your *Turnitin Student User Guide*.

Marks and individual feedback for the written assignment will be available for collection from BESS on Friday 4th June 2010.

iv) Final Examination

Date: During the University Examination period from 7-28 June 2010.

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

The final examination will be a 2 ½ hour written exam. This examination will examine material covered in topics 8 to 12. The examination will comprise of a number of written questions as well as multiple choice questions.

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. <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, that is the final day of the official examination period.

PLAGIARISM

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

CHEATING AND PLAGIARISM

To cheat in the context of university assignments, tests and examinations is to attempt to gain an unfair advantage by violating the principles of intellectual and scholarly integrity. Cheating also encompasses plagiarism, which is the appropriation or imitation of another person's ideas and manner of expressing them.

WHAT IS CHEATING?

You will be guilty of cheating if you do any of the following:

1. Copy from another student during a test or examination. This is cheating whether or not there is collusion between the students involved. Collusion with another student who wishes to cheat from you exposes both parties to penalties under University Regulations.
2. Use or paraphrase the work of others, including any document, audio-visual or computer-based material, when preparing an assignment or writing an examination, and pretend it is your own work by not acknowledging where it came from.
3. Copy from another student's coursework whether that copying is with or without the knowledge of that student. This includes:
 - copying all or part of someone else's assignment
 - allowing someone else to copy all or part of your assignment
 - providing your assignment (or other materials for an assignment) to another student
 - having someone else do all or part of an assignment for you
 - doing all or part of someone else's assignment for them.
4. Make up data and fabricate results in research assignments.
5. Impersonate someone else in an examination or test, or arrange such impersonation.
6. Use forbidden material in a test or examination, whether in printed or electronic form. For example, attempting to use a non-standard calculator in a restricted calculator examination.

WHY IS IT WRONG?

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of plagiarism. This is wrong because it:

- violates the principle of intellectual and scholarly integrity;
- devalues the grades and qualifications gained legitimately by other students; and
- fails to allow you demonstrate your own understanding of the material.

PREVENTING CHEATING

All students and staff have a responsibility to prevent, discourage and report cheating.

Typically students cheat because they are having difficulty with the unit content, the language of the unit, or both. Cheating and/or plagiarism can be a temptation when students are experiencing difficulty with a heavy workload in the unit and seek to save time by using others' work.

To avoid having students resort to cheating, the University provides many services to help students with their course or to make thoughtful decisions about whether to continue. Within the Division of Economic and Financial Studies, students should first seek assistance from their lecturer. Staff at the Centre for Macquarie English are also an excellent resource for plagiarism questions and language issues. The University also offers help through the Dean of Students or the University Health and Counseling Services.

There is a difference between getting help and cheating. You are encouraged to get help if you need assistance to understand the material and any set work so that you are in a better position to create your own answers. You might also want to have group discussions with your colleagues to debate the different issues surrounding a form of assessment. However the work you submit for your assessment must be in your own words and must not be those of another person.

HOW TO PLAY SAFE

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should **ALWAYS**:

- (i) State clearly in the appropriate form where you found the material on which you have based your work, using the system of reference specified by the Division in which your assignment was set;
- (ii) Acknowledge the people whose concepts, experiments or results you have extracted, developed or summarised, even if you put these ideas into your own words;
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

There is nothing wrong with working with other students in a group; indeed sometimes you will be encouraged to do so. But after a certain point, each student must work on their own to produce their own written answers. If no specific guidelines for group-work have been given, a reasonable interpretation is that it is acceptable for two or more students to discuss a problem among themselves or with a staff member. The group may then agree that the answer should include certain points. But then each member of the group must independently write their own answer to the problem.

PENALTIES

Offences of plagiarism will attract penalties which at a minimum, will result in the deduction of marks for the test and/or assignment, to ultimately a failure in the unit and reference to the University Discipline Committee. The penalty will depend upon the extent of the plagiarism, whether it is a first or repeated offence, whether there is evidence of deliberate deceit and whether advantage has been taken of another student. In some cases this can result in the suspension of the student from enrolment in the university. In all cases however, a record of any offence and/or incident, along with correspondence, will be placed permanently on the students' individual record file held at the university.

DETERMINATION OF OVERALL GRADE

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

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

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).

Please be aware that scaling may be used and your raw mark (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive.

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://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or
<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 accessed at <http://www.student.mq.edu.au>.

Lecture Timetable Topics and References

Week commencing Monday	Topic		Readings	MANDATORY questions		OPTIONAL self study questions
				Questions	Solutions available online	
22 February	1	Consol. I – the consolidation method	Ch. 22 (excl 22.5)			Discussion qu: 3,8, 16,20, 21, 26
1 March	2	Consol. II – wholly owned subsidiaries	Ch. 23 (excl 23.8)	Problems: 23.3, 23.4	12 March	Discussion qu: 1,2,4,8,9, 14 Exercises: 23.6, 23.7, 23.8 Problem: 23.1
8 March	3	Consol. III - Intra-group transactions	Ch. 24	Problems; 24.1 ⁱ , 24.3 ⁱⁱ	22 March	Discussion qu: 2,3, 9, 10 Exercises: 24.4, 24.7, 24.8 Problem: 24.2
15 March	4	Consol. IV – Non-controlling interests Computer assignment #1 due this week	Ch. 25	Problems: 25.3, 25.4	26 March	Discussion qu: 5,8, 15, 17 Exercises: 25.6, 25.8, 25.10, 25.11
22 March	5	Consol. V – Indirect ownership interests	Ch. 26 (excl 26.4)	Exercises: 26.8, 26.12 ⁱⁱⁱ	5 April	Discussion qu: 3, 12 Exercises: 26.6, 26.10, 26.11
29 March	6	Consol VI -In class Case Study – advanced consolidation exercise Computer assignment #2 due this week				
5 – 16 April		Mid term break – mid term exam on Sat 10th April				
19 April	7	Communication skills – CME report writing session				
26 April		No lectures as Monday 26 th is ANZAC day public holiday				
3 May	8	Translation of foreign currency financial statements and accounting for foreign subsidiaries	Ch. 27 (excl 27.6 & 27.11)	Prob: 27.2	17 May	Discussion qu: 13,15,18 Exercises: 27.2, 27.5 ^{iv} Problems: 27.1, 27.3, 27.4 ^v
10 May	9	Equity accounting Computer assignment #3 due this week	Ch. 28 (excl 28.6.2 and 28.8)	Exercise: 28.6 ^{vi} , Problem: 28.2	21 May	Discussion qu: 3,7,8, 13 Exercises: 28.5, 28.7,28.8
17 May	10	Joint ventures	Ch. 29 (excl 29.8 and 29.9)	Prob: 29.4	28 May	Discussion qu: 3, 4 Exercises: 29.6, 29.8 Problem: 29.5 ^{vii}
24 May	11	In class Case Study – Fast Air Pty Ltd				
31 May	12	In class Case Study – Consolidated annual report review				

Refer to the following page for additional information relating to homework questions (where annotated i, ii, iii etc).

Additional information relating to homework questions

- ⁱ Problem 24.1 – Ignore the words “in the consolidation worksheet” after the comment Moe wrote goodwill down by \$1 500.
- ⁱⁱ Problem 24.3 – Ignore the comments in additional information (a) which says “(incl. \$50 previous period sales)”.
- ⁱⁱⁱ Exercise 26.12 – The paragraph relating to inventory should say that all inventory on hand as at 1 July 2009 was sold by 30 June 2010.
- ^{iv} Exercise 27.5 – The cost of acquisition should read \$977 400, NOT \$997 400.
- ^v Problem 27.4 – Additional info 1. – Please amend the comment re the inventory to state that all inventory was sold by June 2011, rather than July 2011.
- ^{vi} Exercise 28.6 – the second lot of data provided in the question (Share capital \$100,000; ARR \$60,000; GR \$10,000; RE \$40,000) relates to balances as at 30 June 2009. You should assume that significant influence was achieved at 1 July 2007.
- ^{vii} Problem 29.5 – you should assume that all inventory distributed to the venturers has been sold by 30 June 2011.