MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE

Year and Semester: Semester 1, 2011

Unit convenor: Emma Holmes

Prerequisite: ACCG862 – Financial Accounting

Credit points: 3

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 organisation operating in the private sector. It includes an examination of the framework for regulating corporate financial reporting in Australia, as well as an in-depth study of the requirements for the preparation of financial statements for a group of companies operating under common control.

- Students successfully completing this unit will be awarded 3 credit points.

TEACHING STAFF

Unit convenor: EMMA HOLMES
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Lecturer: GAUTAM DAHIMA
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Phone: 0400 253 678
CONSULTATION TIMES

Commencing week 3 of lectures, all lecturers will be available for consultation each week that lectures are held. A timetable of consultation times for the semester is available on the website: learn.mq.edu.au

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct any consultations by e-mail. You may, however, phone staff during their consultation hours.

In order to gain access to staff located at levels 1, 2 and 3 of building E4A during their consultation hours please ring the staff member from the phones available in the lobby (phone numbers of relevant staff members will be provided on Blackboard and are available next to the phones).

Students experiencing significant difficulties with any topic in the unit are strongly advised to seek assistance immediately.

CLASSES

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

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Location</th>
<th>Lecturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>9am-12pm</td>
<td>C5A 304</td>
<td>Emma Holmes</td>
</tr>
<tr>
<td>Monday</td>
<td>12pm-3pm</td>
<td>C5A 304</td>
<td>Emma Holmes</td>
</tr>
<tr>
<td>Thursday</td>
<td>3pm-6pm</td>
<td>C5A 304</td>
<td>Gautam Dahima</td>
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<tr>
<td>Thursday</td>
<td>6pm-9pm</td>
<td>C5A 304</td>
<td>Leisa Henness</td>
</tr>
<tr>
<td>Friday</td>
<td>3pm-6pm</td>
<td>C5A 304</td>
<td>Gautam Dahima</td>
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</table>

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, 2\textsuperscript{nd} 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

TECHNOLOGY USED AND REQUIRED

Students will need access to Microsoft Excel, Word and Powerpoint to enable completion of various assessment tasks throughout the semester.
UNIT WEB PAGE

- Course material is available on the learning management system (BlackBoard)

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

LEARNING OUTCOMES

The learning outcomes of this unit are:

1. To be able to prepare consolidated financial statements
2. Account for investments in foreign operations
3. Determine and apply the appropriate accounting treatment for investments in associates
4. Determine and apply the appropriate accounting treatment for interests in joint ventures
5. Compare and contrast the consolidation, equity and joint venture methods of accounting
6. Identify relevant disclosures in an entity's consolidated financial report.

GRADUATE CAPABILITIES

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world. This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability
4. Creative and Innovative
5. Effective Communication
6. Engaged and Ethical Local and Global citizens
7. Capable of Professional and Personal Judgement and Initiative
**Teaching and Learning Strategy**

- Page 12 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 12 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.

**In Class Case Studies**

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 28 February.

This session will be focussed on the preparation and delivery of group based presentations. The session will be interactive and attendance is compulsory for all students. Material covered in this session will be assessed as part of the assessable group presentations.

**Research and Practice**

- This unit gives you practice in applying research findings in your assignments
- This unit gives you opportunities to conduct your own research
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) Group presentations | 15 |
| iv) Final examination | 35 |
| **Total** | **100** |

The following table sets out a link between the learning outcomes and graduate capabilities provided earlier in this unit outline and the assessment tasks detailed above:

<table>
<thead>
<tr>
<th>Learning outcomes assessed</th>
<th>Computer based assignments</th>
<th>Group presentations</th>
<th>Mid-term examination</th>
<th>Final examination</th>
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</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

Graduate capabilities assessed:

<table>
<thead>
<tr>
<th>Graduate capabilities assessed</th>
<th>Computer based assignments</th>
<th>Group presentations</th>
<th>Mid-term examination</th>
<th>Final examination</th>
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<tbody>
<tr>
<td>1</td>
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<td>7</td>
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</tbody>
</table>

Specific details of each assessment task are provided on the following pages.
i) Computer based assignments

*Date:* various (refer below for details)  
**Assessment percentage:** 15% (out of 100% total)

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.

<table>
<thead>
<tr>
<th>Assignment #</th>
<th>Topics covered</th>
<th>%</th>
<th>Due date</th>
<th>Feedback available</th>
</tr>
</thead>
</table>
| 1**          | 2 & 3          | 5  | Mon classes – 10pm Tues 22\textsuperscript{nd} March  
Thurs classes – 10pm Fri 25\textsuperscript{th} March  
Fri class – 10pm Sat 26\textsuperscript{th} March | Tues 29\textsuperscript{th} March |
| 2            | 4 & 5          | 5  | Mon classes – 10pm Tues 5\textsuperscript{th} April  
Thurs classes – 10pm Fri 8\textsuperscript{th} April  
Fri class – 10pm Sat 9\textsuperscript{th} April   | Tues 12\textsuperscript{th} April   |
| 3            | 6              | 5  | Mon classes – 10pm Tues 3\textsuperscript{rd} May  
Thurs classes – 10pm Fri 6\textsuperscript{th} May  
Fri class – 10pm Sat 7\textsuperscript{th} May     | Tues 10\textsuperscript{th} May     |

**TOTAL WEIGHTING** 15

**This assignment has been identified as an early low risk diagnostic task. The purposes of this task is to ensure that students have a solid understanding of the basic principles of consolidation, as these concepts are an important building block for the remainder of the semester.**

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:* To be held during the mid-semester break. Date, 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 5. 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 Tuesday 26\textsuperscript{th} April. A breakdown of the total marks between those received for the written component and those received for the multiple choice component will be provided and solutions will be discussed in lectures following the mid-semester break.
iii) Group presentations

**Date:** During class time in the weeks commencing Monday 4th April and Monday 23rd May.

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

Students will be allocated into groups based on class lists current as at Friday 4th March. Details of the group that you have been allocated to and the week that your group will be presenting will be posted onto the website on Monday 7th March.

Students presenting in the week commencing 4th April will be advised of the topic that they are required to present on during the week commencing Monday 7th March.

Students presenting in the week commencing 23rd May will be advised of the topic that they are required to present on during the week commencing Monday 25th April.

Detailed requirements for all group presentations including duration of your presentation, written materials required to be submitted to accompany your presentation etc will be posted on the website on Monday 7th March.

Marks and individual feedback for the group presentation will be available from BESS on 1 June 2011.

iv) Final Examination

**Date:** To be held during the University Examination period between 6 June and 24 June 2011

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

A final examination is included as an assessment task for this unit to provide assurance that:

1. The product belongs to the student and
2. The student has attained the knowledge and skills tested in the exam.

A 2 ½ hour final examination for this unit will be held during the University Examination period. This examination will examine material covered in topics 6 to 9. 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. The University’s policy on special consideration process is available at http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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 Faculties may wish to signal when the Faculties’ Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: http://www.mq.edu.au/policy/docs/examination/policy.html
**ACADEMIC HONESTY**

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at [http://www.mq.edu.au/policy/docs/academic_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)
Grades

All final grades in the Department of Accounting and Corporate Governance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Macquarie University’s 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).

The Standardised Numerical Grade (SNG) is not a summation of the individual assessment components.

To be awarded a specific grade, students are required to perform at an equivalent standard in the final examination and the overall assessment mark in the unit.

Macquarie University uses the following grades in coursework units of study:

HD - High Distinction; D – Distinction; CR – Credit; P – Pass; F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.


Special Consideration

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/procedure.html
**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](http://www.student.mq.edu.au).

**IT CONDITIONS OF USE**

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. At all times, student ID cards must be displayed in the locations provided.

Students are expected to act responsibly at all times when utilising University IT facilities. The following regulations apply to the use of computer labs and online services:

- Accessing inappropriate web sites, or downloading inappropriate material, are not permitted, material that is not related to coursework in units authorised to use these facilities is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may possibly result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students are reminded to communicate to staff only through the Macquarie University email as this is the only official channel.
<table>
<thead>
<tr>
<th>Week commencing</th>
<th>Topic</th>
<th>Readings</th>
<th>MANDATORY questions</th>
<th>OPTIONAL self study questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 February</td>
<td>Intro</td>
<td>Ch. 22 (excl 22.5)</td>
<td></td>
<td>Discussion qu: 3, 8, 16, 20, 21, 26</td>
</tr>
<tr>
<td>28 February</td>
<td>CME presentations session</td>
<td></td>
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<tr>
<td>7 March</td>
<td>Consol. II – wholly owned subsidiaries</td>
<td>Ch. 23 (excl 23.8)</td>
<td>Problems: 23.3, 23.4</td>
<td>Monday 11 April Discussion qu: 1, 2, 4, 8, 9, 14 Exercises: 23.6, 23.7, 23.8 Problem: 23.1</td>
</tr>
<tr>
<td>14 March</td>
<td>Consol. III - Intra-group transactions</td>
<td>Ch. 24</td>
<td>Problems: 24.1, 24.3</td>
<td>Monday 11 April Discussion qu: 2, 3, 9, 10 Exercises: 24.4, 24.7, 24.8 Problem: 24.2</td>
</tr>
<tr>
<td>21 March</td>
<td>Consol. IV – Non-controlling interests</td>
<td>Ch. 25</td>
<td>Problems: 25.3, 25.4</td>
<td>Monday 11 April Discussion qu: 5, 8, 15, 17 Exercises: 25.6, 25.8, 25.10, 25.11</td>
</tr>
<tr>
<td>4 April</td>
<td>Group presentations I and II</td>
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<tr>
<td>11 – 22 April</td>
<td>Mid term break – mid term exam to be held during this period</td>
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<tr>
<td>25 April **</td>
<td>Translation of foreign currency financial statements and accounting for foreign subs</td>
<td>Ch. 27 (excl 27.6 &amp; 27.11)</td>
<td>Prob: 27.2</td>
<td>Monday 23 May Discussion qu: 13, 15, 18 Exercises: 27.2, 27.5 Problems: 27.1, 27.3, 27.4</td>
</tr>
<tr>
<td>2 May</td>
<td>Equity accounting</td>
<td>Ch. 28 (excl 28.6.2 and 28.8)</td>
<td>Exercise: 28.6, Problem: 28.2</td>
<td>Monday 23 May Discussion qu: 3, 7, 8, 13 Exercises: 28.5, 28.7, 28.8</td>
</tr>
<tr>
<td>9 May</td>
<td>Joint ventures</td>
<td>Ch. 29 (excl 29.8 and 29.9)</td>
<td>Prob: 29.4</td>
<td>Monday 23 May Discussion qu: 3, 4 Exercises: 29.6, 29.8 Problem: 29.5</td>
</tr>
<tr>
<td>16 May</td>
<td>In class Case Study – Fast Air Pty Ltd</td>
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<tr>
<td>23 May</td>
<td>Group presentations III and IV</td>
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</tbody>
</table>

**As Monday 25 April is a public holiday students enrolled in Monday classes will have to attend an alternative class this week
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 Problem 25.4 – In part c) of the additional information the date should refer to the year 2010, not 2008.

iv 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.

v Exercise 27.5 – The cost of acquisition should read $977,400, NOT $997,400.

vi 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. In addition there should be a rate for the average for the second half of the year = 1.60.

vii 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.

viii Problem 29.5 – you should assume that all inventory distributed to the venturers has been sold by 30 June 2011.