

THE UNIVERSITY OF  
NEW SOUTH WALES



Australian School of Business  
School of Accounting

**ACCT5942**  
**CORPORATE ACCOUNTING AND REGULATION**

**COURSE OUTLINE**  
**SEMESTER 2, 2009**

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## 1. STAFF CONTACT DETAILS

### 1.1 Staff Members and Contact Details

Teaching Staff	Room Number	Phone	Email
Associate Professor Malcolm Miller (Lecturer-in-Charge)	QUAD 3082	9385-5820	m.miller@unsw.edu.au
Mr Brian Booth	QUAD 3109	9385-5907	b.booth@unsw.edu.au
Mr Leon Wong	QUAD 3063	9385-5810	leon.wong@unsw.edu.au
Dr Gary Pflugrath	QUAD 3108	9385-5837	g.pflugrath@unsw.edu.au
Ms Yang Xu	QUAD 3089	9385-6283	yang.xu@unsw.edu.au
Ms Ying Xu	QUAD 3089	9385-6283	ying.xu@unsw.edu.au

Mr Leon Wong is the main lecturer for Weeks 1 to 3 and Mr Brian Booth is the main lecturer for Weeks 4 to 12.

### 1.2 Communication and Consultation with Staff

The consultation hours of each staff member will be given on the course website. You can make an appointment to see staff at other times or contact staff by email. When emailing, always identify yourself by supplying your name and student number.

On issues related to your understanding of lectures and tutorials contact your Lecturer for the relevant week, Ms Yang Xu or Ms Ying Xu. On course administration issues contact the Lecturer-in-Charge, Associate Professor Malcolm Miller.

## 2. COURSE DETAILS

### 2.1 Teaching Times and Locations

Day	Time	Location
Monday	11:00 – 14:00	QUAD G31
Monday	18:00 – 21:00	ASBus 220
Wednesday	15:00 – 18:00	ASBus 119
Wednesday	18:00 – 21:00	ASBus 119
Friday	10:00 – 13:00	ASBus 119

### 2.2 Units of Credit

This course is 6 units of credit.

### 2.3 Summary of the Course

This course starts by putting corporate financial reporting in its socio-economic context and describes the framework of regulation. There is a review of how business data

(including certain types of special items) are recorded, processed and presented in financial statements according to the current standards. Accounting for income tax is studied next. Those three weeks provide a necessary foundation for the next stage of the course – the preparation of consolidated financial statements where a parent entity controls subsidiaries (four weeks). Then we examine the accounting prescribed for investments in associates and joint arrangements (two weeks). Finally, there is a closer look at revenue recognition, lease accounting and liability reporting (three weeks).

## 2.4 Course Aims and Relationship to Other Courses

This course aims to cover the main practical and conceptual issues in external financial reporting. In particular, we examine the usefulness and limitations of the published financial reports of listed entities. It is an essential course for aspiring accountants. Also, it is a valuable course for anyone in business who will need to deal with corporate financial statements whether as directors, financial executives, taxation officers, auditors, financial analysts or legal advisors.

ACCT5942 is a compulsory course within the Professional Accounting program. ACCT5930 Financial Accounting is a prerequisite.

Given the prerequisite, it is assumed that students know the basic double-entry recording system with its use of debits and credits. If you need to brush up your knowledge in this area, you can consult the text for ACCT5930 (K. Trotman & M. Gibbins, **Financial Accounting: An Integrated Approach**, 4<sup>th</sup> ed., Cengage Learning, 2009, Ch. 1 to 5). Another good reference is D. Kieso, N. Fargher, V. Wise, J. Weygandt and T. Warfield, **Fundamentals of Intermediate Accounting**, Wiley, 2008, Ch. 3.

COMM5003 or other courses with a user perspective on accounting do not provide enough background for ACCT5942. If you have not done ACCT5930 or its equivalent, you are required to complete ACCT5930 before starting ACCT5942.

ACCT5942 builds on the foundation laid in ACCT5930 Financial Accounting. It deals with important topics in intermediate and advanced financial accounting including the issues raised by more complicated transactions and events (such as those involving leases), and the consolidation accounting required for corporate groups linked by unilateral control, joint control or significant influence.

## 2.5 Student Learning Outcomes

### *Content-Based Learning Outcomes*

Following satisfactory completion of this course, you should be able to:

1. Understand and apply the main provisions in the key AIFRS (Australian equivalents to International Financial Reporting Standards);
2. Appreciate the conceptual strengths or weaknesses of the required accounting methods in AIFRS and the impact of the choices made by directors and managers, in those circumstances where some flexibility is allowed in the application of AIFRS;

- Understand the definitional problems, methods of report preparation and limitations of reported financial data in respect of complex transactions, events and organisational structures.

### *Desired Skills-Based Outcomes*

Upon satisfactory completion of this course, you should be able to:

- Learn independently and to assume responsibility for the learning process;
- Conduct applied business and accounting research especially in relation to more complex financial reports;
- Think constructively and critically about accounting developments at the national and international level with an ability to take a leadership role and express a public interest viewpoint; and
- Recognise ethical issues confronting participants in the financial reporting process.

### **Graduate Attributes**

<b>ASB Graduate Attributes</b>	<b>Course Learning Outcomes</b>
1. Critical thinking and problem solving	1, 2, 3, 5, 6
2. Communication	5, 6
3. Teamwork and leadership	6
4. Social, ethical and global perspectives	6, 7
5. In-depth engagement with relevant disciplinary knowledge	1, 2, 3, 6, 7
6. Professional skills	4, 5, 6, 7

## **3. LEARNING AND TEACHING ACTIVITIES**

### **3.1 Approach to Learning and Teaching**

At university, the focus is on your self-directed search for knowledge. Lectures, tutorials, texts, exams and other resources are provided to help you learn. It is up to you to choose how much work you do in each part of the course: preparing for classes; completing assignments; studying for exams; seeking assistance; or thinking about the principles. You must choose an approach that best suits your learning style and goals in this course. The aim is provide you with a flexible but directed learning approach.

### **3.2 Learning Activities and Teaching Strategies**

The course consists of weekly three-hour classes. In most classes, the format will be approximately as follows:

- First half - Lecture, discussion and activities on new topics for week
- Second half - Tutorial to review assignments including multiple choice questions to check comprehension of key points.

You are urged to pick up as much as possible in class time. Try to stay up-to-date and do not hesitate to ask questions if you do not understand.

Student input and participation is strongly encouraged and will be rewarded. Your active engagement with the course materials is sought; play a part in the class activities.

#### 4. ASSESSMENT

##### 4.1 Formal Requirements

To be eligible for a passing grade in this course, students must achieve a composite mark of at least 50% and a satisfactory result in the final exam as outlined below.

##### 4.2 Assessment Details

Assessment Task	Weighting	Learning Outcomes Assessed	ASB Graduate Attributes Assessed	Time Allowed and Week	Date/Location
Test 1	20%	1, 2, 3, 4	1, 5, 6	1 hour (in Week 5)	Mon, Wed or Fri – 17, 19 or 21 August in Class
Test 2	35%	1, 2, 3, 4	1, 5, 6	1.5 hours (at end of Week 9)	Friday, 25 Sept 3:45-5:30 pm in Squarehouse
Class participation	5%	1, 2, 3, 5, 6, 7	1, 2, 3, 4, 5, 6		Every class
Final examination	45%	1, 2, 3, 4, 6, 7	1, 2, 4, 5, 6	2 hours in official UNSW exam period	To be announced
<b>TOTAL</b>	<b>105%*</b>				

\*Subject to a cap of 100. For example, if your accumulated mark for the three exams is 66 and your bonus mark is 3, your final grade would be 69. If your accumulated mark for the three exams is 97 and your bonus mark is 5, your final grade would be capped at 100. Students rarely obtain a mark greater than 95 for the exams (although it has occurred in two sessions). Bonus marks are only awarded when you ask useful questions at the right time or make helpful observations on lecture points and assignment solutions (thereby assisting and stimulating your fellow students). Do not feel inhibited about asking questions; just realize that the worth of particular questions or comments may vary.

You do not need to pass every component of the assessment. To be eligible for a passing grade in this subject, you must obtain 50 marks overall and obtain at least 18 marks for the final examination (40%). Failure to perform in the final examination may result in

either a supplementary examination being required or the award of an Unsatisfactory Fail (UF) grade.

Students put themselves at a significant disadvantage when they do not stay up-to-date and make the most of lecture and tutorial time. In addition to the three hours of class time, most students need to study effectively for another 7 hours at a minimum. The assessment scheme attempts to motivate you to stay abreast of the work week-by-week and contribute to class discussion. You could easily fail if you try to depend on intensive cramming just before the tests and the final examination.

The scope of Test 1 will be the topics for the first three weeks as listed in Section 11 of this course outline. The scope of Test 2 will be the topics as listed for Weeks 4 to 7 in Section 11. Test 1, which will vary across the five classes, will be held during the normal class time. Test 2 will be held at the end of Week 9 on Friday, 25 September. The purpose of the tests is to gauge student's learning, and provide feedback to students on their progress to the respective points. Students who fail one or more of the tests may still have time to recover and pass the course. No student will be given a supplementary for Test 1 or Test 2 unless they pass the final examination. The date for the supplementary tests will be the same date as that for the supplementary final examination (see below). More information on Test 1 and Test 2 will be provided later.

The scope of the final exam will be the topics for Weeks 8 to 12 as listed in Section 11 (pages 16 to 18). The final examination will be held in the official UNSW examinations period from 30 October to 14 November 2009. Part A will consist of 20 multiple choice questions (60%) and Part B will require you to prepare journal entries, answer theory questions, etc (40%). More information on the final exam will be provided later.

Each student may earn up to 5 bonus marks. The aim is to provide students with an incentive to participate in class discussions.

## **5. ACADEMIC HONESTY AND PLAGIARISM**

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see:

<http://www.lc.unsw.edu.au/plagiarism/index.html> as well as the guidelines in the online ELISE tutorial for all new UNSW students:  
<http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>.

## **6. COURSE RESOURCES**

### **6.1 Textbooks**

Booth, B., and Yang Xu, **ACCT5942 Course Materials – Session 2, 2009**. (Abbreviated "BX") This bound volume of materials is available from the UNSW Bookshop.

### **6.2 Course Website**

A course website will be maintained within the WebCT Vista environment. You are required to have a Unipass and Unipin to access this website. In addition, you must be

enrolled in the course to access the website. The website will contain the full course outline, announcements, lecture powerpoints, tutorial solutions and other material. The URL for WebCT Vista courses is <http://vista.elearning.unsw.edu.au/>.

### 6.3 Useful Internet Websites

1. [www.aasb.com.au](http://www.aasb.com.au) (Australian Accounting Standards Board – all the AASB’s current pronouncements can be downloaded from this site along with pending standards based on IASB standards and Exposure Drafts of proposed standards and other documents)
2. [www.iasb.org.uk](http://www.iasb.org.uk) (International Accounting Standards Board – IASB standards can be downloaded from this site)
3. [www.iasplus.com](http://www.iasplus.com) (IAS Plus is a site providing news and commentary on international accounting standards – service of Deloitte Touche Tohmatsu)
4. [www.deloitte.com.au](http://www.deloitte.com.au) (provides model set of financial statements applying AIFRS).
5. [www.cpaaustralia.com.au](http://www.cpaaustralia.com.au) (CPA Australia)
6. [www.asx.com.au](http://www.asx.com.au) (Australian Stock Exchange)
7. [www.asic.gov.au](http://www.asic.gov.au) (Australian Securities and Investments Commission)
8. [www.fasb.org](http://www.fasb.org) (Financial Accounting Standards Board – US)
9. [www.sec.gov](http://www.sec.gov) (Securities and Exchange Commission – US)
10. Australian corporate annual reports are available from Connect 4 and Datanalysis databases on the UNSW library web site ([www.library.unsw.edu.au](http://www.library.unsw.edu.au)), and also from [www.EquitiesInfo.com.au](http://www.EquitiesInfo.com.au).
11. [www.ey.com/au](http://www.ey.com/au) (provides a model set of financial statements applying AIFRS)
12. [www.kpmg.com.au](http://www.kpmg.com.au) (provides a model set of financial statements applying AIFRS)
13. [www.pwcglobal.com/au](http://www.pwcglobal.com/au)

### 6.4 Reference Books

1. Arthur, N., R. Grose, J. Campbell, and L. Luff, **Accounting for Corporate Combinations and Associations**, 6th edition, Pearson, 2008.
2. Booth, B., **Student Guide to Accompany Accounting for Corporate Combinations and Associations 6<sup>th</sup> edition**, Pearson, 2008.
3. Deegan, C., **Australian Financial Accounting**, 5<sup>th</sup> ed., McGraw-Hill, 2007.
4. Henderson, S., G. Peirson, and K. Herbohn, **Issues in Financial Accounting**, 13<sup>th</sup> ed., Pearson, 2008.
5. Kieso, D.E., N. Fargher, V. Wise, J.J. Weygandt, and T. Warfield, **Fundamentals of Intermediate Accounting**, Wiley, 2008. (Abbreviated “Kieso” – Text in this course in S2/08 and S1/09)
6. Leo, K., J. Hoggett, J. Sweeting, and J. Radford, **Company Accounting**, 7<sup>th</sup> ed., Wiley, 2008.
7. Locke, C., **Financial Reporting Handbook 2009** (Incorporating all the standards at 1 January 2009), Wiley, 2009.

8. Ngiam, J., and M. Shying eds., **Accounting Handbook 2009** (Incorporating all the standards at 15 November 2008), Pearson, 2009
9. Picker, R., K. Leo, J. Loftus, K. Clark, and V. Wise, **Australian Accounting Standards**, 2<sup>nd</sup> ed., Wiley, 2009. (Abbreviated “Picker” - 2<sup>nd</sup> edition is recommended as most up-to-date supplementary course reference)
10. Trotman, K. and M. Gibbins, **Financial Accounting: An Integrated Approach**, 4<sup>th</sup> ed., Cengage Learning, 2009. (Abbreviated “Trotman”)

## 7. COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process ([http://www.ltu.unsw.edu.au/ref4-5-1\\_catei\\_process.cfm](http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm)) is one of the ways in which student evaluative feedback is gathered. Significant changes from past feedback include:

- Placing less weight on the final examination by increasing the marks for tests during session and awarding bonus marks for participation; and
- Dropping a former text that students found too long-winded with excessively complex examples.

## 8. STUDENT RESPONSIBILITIES AND CONDUCT

### 8.1 Advice on Study Approach

ACCT5942 covers many topics requiring you to read much material and master a range of technical accounting skills. To assist you in your studies the following advice is offered.

- (a) Attend all lectures and be alert in class (noting any special points). The lecturer's slides will be made available, but they will not cover everything the lecturer says. In preparing for the exams, note which aspects of each topic the lectures cover and the emphasis of the lecturer. The lecturers will try to make it clear in class what you need to learn for assessment purposes.
- (b) Read the specified parts of your text – skimming through the easy stuff but slowing down to carefully follow explanations of difficult accounting concepts or complex recording analysis in terms of debits and credits.
- (c) Attempt the assignment questions before the tutorial part of each class. You will be able to download solutions for the assignments. Check your answers and ask the lecturer to explain anything that is not clear.
- (d) Work through the multiple choice questions supplied for each week to check your grasp of key points.
- (e) See staff during their consultation periods if you need help.
- (f) Read the exam announcements carefully. The announcements plus the guidance given in class will assist you to focus on the knowledge and skills you need for a satisfactory grade in the course.

Hopefully, you will get a lot out of the course for your future professional career and have some fun along the way. You will find that many of the accounting rules are logical and

sensible while others are less than ideal and reflect the reality that setting accounting standards is a political process.

## 8.2 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on questions, and attending classes. In periods where you need to complete more difficult assignments or prepare for examinations, the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

## 8.3 Attendance

Your regular and punctual attendance at seminars is expected in this course. University regulations indicate that if students attend less than 80% of scheduled classes they may be refused final assessment.

## 8.4 Special Consideration and Supplementary Examinations

The School of Accounting follows the UNSW policy and process for Special Consideration (see <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>). Specifically:

- Applications for special consideration (including supplementary examinations) *must go through UNSW Central administration* (within 3 working days of the assessment to which it refers) – applications will **not** be accepted by staff in the School of Accounting;
- Applying for special consideration does **not** automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please send details of your special consideration application to the Lecturer-in-Charge;
- Notification of supplementary exams will be sent via email by the Lecturer-in-Charge. Please do not contact the School Office.

The supplementary examination in this course will be given in the period between 23 November and 11 December (specific details to be advised). Students given the opportunity to sit the supplementary must be available during this period to take the examination. **No other opportunities to sit the supplementary will be given.**

Note that it is university policy to advise the granting of supplementary exams via your **student email address (zstudentnumber@student.unsw.edu.au)**. No other notification will be given. So it is very important to check that email address if it is possible that you will be given the opportunity to sit a supplementary. Any other email address you may have, such as Hotmail, Ozemail, Optusnet, or Yahoo, will **not** be used for these notifications. Notification by letter in the post will **not** occur. Normally, an email about the supplementary is sent before you can access your official results for the session.

## 8.5 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: [www.my.unsw.edu.au](http://www.my.unsw.edu.au)

## 8.6 Occupational Health and Safety

UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see <https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>.

## 8.7 Keeping Informed

You should take note of all announcements made in seminars or on the course website. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information.

## 9. ADDITIONAL STUDENT RESOURCES AND SUPPORT

The University and the ASB provide a wide range of support services for students, including:

- **ASB Education Development Unit (EDU)** ([www.business.unsw.edu.au/edu](http://www.business.unsw.edu.au/edu))  
Academic writing, study skills and maths support specifically for ASB students. Services include workshops, online and printed resources, and individual consultations. EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph: 9385 5584; Email: [edu@unsw.edu.au](mailto:edu@unsw.edu.au).
- **Capturing the Student Voice:** An ASB website enabling students to comment on any aspect of their learning experience in the ASB. To find out more, go to <http://tinyurl.com/ASBStudentVoice>.
- **UNSW Learning Centre** ([www.lc.unsw.edu.au](http://www.lc.unsw.edu.au))  
Academic skills support services, including workshops and resources, for all UNSW students. See website for details.
- **Library training and search support services:** <http://info.library.unsw.edu.au>
- **UNSW IT Service Desk:** Technical support for problems logging in to websites, downloading documents etc. Library, Level 2; Ph: 9385 1333.  
Website: [www.its.unsw.edu.au/support/support\\_home.html](http://www.its.unsw.edu.au/support/support_home.html)
- **UNSW Counselling Service** (<http://www.counselling.unsw.edu.au>)  
Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping with Stress' and 'Procrastination'.  
Office: Level 2, Quadrangle East Wing; Ph: 9385 5418.
- **Student Equity & Disabilities Unit** (<http://www.studentequity.unsw.edu.au>)  
Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning. Office: Ground Floor, John Goodsell Building; Ph: 9385 4734.

## 10. COURSE SCHEDULE

Week	Date	Topic
Week 1	20-24 July	<ul style="list-style-type: none"> <li>Nature and objectives of external financial reporting</li> <li>The Australian external reporting environment and the regulatory structure</li> <li>Review of the financial accounting information system</li> </ul>
Week 2	27-31 July	<ul style="list-style-type: none"> <li>Financial statement preparation and presentation in accordance with accounting standards (including the balance sheet, comprehensive income statement and statement of changes in equity)</li> <li>Reporting of irregular items</li> </ul>
Week 3	3-7 August	<ul style="list-style-type: none"> <li>Accounting for income tax</li> </ul>
Week 4	10-14 August	<ul style="list-style-type: none"> <li>Consolidation of financial statements 1</li> </ul>
Week 5	17-21 August	<ul style="list-style-type: none"> <li>Test 1 on topics for Weeks 1 to 3 (in class)</li> <li>Consolidation of financial statements 2</li> </ul>
Week 6	24-28 August	<ul style="list-style-type: none"> <li>Consolidation of financial statements 3</li> </ul>
Week 7	31 Aug-4 Sept	<ul style="list-style-type: none"> <li>Consolidation of financial statements 4</li> </ul>
<b>UNSW BREAK (7-11 September)</b>		
Week 8	14-18 Sept	<ul style="list-style-type: none"> <li>Accounting for associates</li> </ul>
Week 9	21-25 Sept	<ul style="list-style-type: none"> <li>Other investor/investee relationships (including accounting for joint arrangements)</li> <li>Test 2 on topics for Weeks 4 to 7 (in Squarehouse on Friday, 25 Sept, 3:45pm)</li> </ul>
Week 10	28 Sept-2 October	<ul style="list-style-type: none"> <li>Revenue recognition issues</li> </ul>
Week 11 or Week 12	7, 9 or 12 October	<ul style="list-style-type: none"> <li>Accounting for leases (note Public Holiday on Monday, 5 October – Monday classes on “Accounting for leases” lagged to Week 12)</li> </ul>
Week 12 or Week 13	14, 16 or 19 October	<ul style="list-style-type: none"> <li>Issues in accounting for liabilities (Monday classes on “Liability issues” lagged to Week 13)</li> </ul>
<b>FINAL EXAM</b> <b>(on topics for Weeks 8 to 13 in UNSW exam period from 30 October to 14 November)</b>		

## 11. READING AND ASSIGNMENTS

### Week 1 (20-24 July)

- Objectives of financial reporting
- The financial reporting environment
- Regulatory environment and parties involved
- General-purpose and specific-purpose financial reporting
- Accounting standards and the framework, and a true and fair view
- Revision of basic accounting
  - Basic principles and conventions of accounting
  - The accounting information system
  - The accounting cycle

#### **Reading:**

BX: Chapter 1 pp. 1-16 and Chapter 2 pp. 32-41

#### **Further Reading:**

Kieso (2008): Chapters 1 and 3

Trotman (2009): Chapters 1 to 5

#### **Assignments:**

Multiple-choice questions (on myelearning vista)

Additional self-study multiple-choice questions in BX: 1-7, 1-8, 1-11, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 2-18, 2-19, 2-20, 2-24, 2-25, 2-29, 2-32, 2-33, 2-34, 2-35, 2-36, 2-38, 2-39 and 2-46.

### Week 2 (27-31 July)

- Financial statements and related information
- The balance sheet: Presentation and format
- Statement of comprehensive income: Presentation and format
- Statement of changes in equity
- Reporting the financial effects of irregular items
- Limitations of financial statements

#### **Reading:**

BX: Chapter 2 pp. 46-51

#### **Further Reading:**

Kieso (2008): Chapter 5

Picker (2009): Chapter 18 pp. 680-693 and Chapter 19 pp. 680-718

AASB 101 "Presentation of Financial Statements" (Revised September 2007)

AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" (As amended July 2007)

#### **Assignments:**

Multiple-choice questions (on myelearning vista)

Additional self-study multiple-choice questions in BX: 1-13, 1-14, 1-15, 2-2 and 2-6.

### Week 3 (3-7 August)

- Permanent and temporary differences
- Preparation of statement of taxable income
- Recognition of income tax expense, current tax and deferred tax
- Errors in tax estimates
- Recognition of tax on discontinued operations
- Recognition of tax on changes in equity
- Recognition of the effects of changes in tax rates
- Tax losses

#### **Reading:**

BX: Chapter 3 Accounting for Income Tax

#### **Further Reading:**

Picker (2009): Chapter 8

#### **Assignments**

BX Questions 3.1, 3.2 and 3.8 (p. 94)

BX Problems 3.10, 3.11, 3.12 (pp. 95-96)

BX Problem 3.24 - Multiple-choice (pp. 101-102)

Multiple-choice questions (on mylearning vista)

### Week 4 (10-14 August)

- Share values
- Investments at fair value and available-for-sale investments
- Acquisition of businesses
- Business entity combinations and entity relationships
- The concept of control, parent and subsidiaries
- Determining the date of acquisition, cost of acquisition and equity acquired
- Preparation of consolidated financial statements at the date of acquisition
- Preparation of consolidated financial statements in the post-acquisition period
- Dividend transactions
- Treatment of goodwill

#### **Reading:**

BX: Chapter 4 Investments in equity securities and simple consolidation

#### **Assignments:**

BX: Multiple-choice questions 4-1, 4-2, 4-7, 4-8, 4-9, 4-15, 4-17, 4-19, 4-23 to 4-28.

**Week 5** (17-21 August)

- Control and minority (non-controlling) interests in a subsidiary
- Calculation of direct minority interests in a subsidiary
- Preparation of consolidated financial statements with direct minority interests
- Calculation of indirect minority interests in a subsidiary
- Preparation of consolidated financial statements with indirect minority interests
- Minority interests in consolidation adjustments

**Reading:**

BX: Chapter 5 Minority interests

**Assignments:**

BX: Multiple-choice questions 5-2, 5-3, 5-4 to 5-6, 5-10 to 5-16, 5-27 to 5-29.

Note: In Week 5 there is a test in class on the work covered in the first three weeks of the course. There will be 25 multiple choice questions to be completed in 60 minutes.

**Week 6** (24-28 April)

**Week 7** (31 August – 4 September)

- Adjustments to eliminate the effects of intra-group dividends
- Adjustments to eliminate the effects of intra-group charges
- Adjustments to eliminate the effects of intra-group sales and purchases, receivables and payables and intra-group interest
- Adjustments to eliminate unrealised profits arising from merchandise transactions
- Distinguish between group unrealised profit and intra-group transfers of equity
- Disposal of a subsidiary

**Reading:**

BX: Chapter 6 Intra-group transactions

**Assignments**

BX: Multiple-choice questions 6-1, 6-2, 6-5, 6-13 to 6-18, 6-28 to 6-30, 6-31 to 6-58 (Note 6-31 to 6-58 are from Test 2, Semester 1, 2009).

**BREAK** (7-11 September)

## Week 8 (14-18 September)

- Indicia of the capacity to exert significant influence – investor and associate
- Cost and equity methods of accounting for investments in associates
- Determination of equity interest in an associate
- Accounting by non-group members in associates
- Accounting by group members in associates
- Effects of downstream and upstream transactions between the investor and associate
- Disposal of investment in an associate

### Reading:

BX: Chapter 7 Associates

### Further Reading:

Picker (2009): Chapter 28

### Assignments:

BX: Multiple-choice questions 7-2, 7-4, 7-7, 7-15 to 7-17, 7-18, 7-23 to 7-26, 7-28 to 7-35 (Note 7-28 to 7-35 were part of the Final Examination, Semester 1, 2009).

## Week 9 (21-25 September)

- Capacity to exert the capacity to control, joint control and significant influence
- Trusts
- Stapled securities and special purpose entities
- General and limited partnerships
- Jointly controlled assets and operations
- Joint operations
- Review of goodwill

### Reading:

BX: Chapter 8 Other investor/investee relationships

### Further Reading:

Picker (2009): Chapter 29

### Assignments:

BX: Questions 8-1, 8-4, 8-5, 8-9, 8-13, 8-28 to 8-29, 8-30, 8-31 to 8-34, 8-35 to 8-37, 8-38 to 8-41 (Note 8-38 to 8-41 were part of the Final Examination, Semester 1, 2009).

Note: Test 2 will be held in this week on Friday, 25 September in the Squarehouse (near Anzac Parade). Arrive by 3:45pm. The test will consist of 28 multiple choice questions covering the work on Consolidation (Topics listed above for Weeks 4 to 7) to be completed in 90 minutes. The test does NOT cover Associates or the work scheduled for this week of the course.

### **Week 10** (28 September-2 October)

- Structure of an income statement
- Revenue recognition on the sale of goods and consignment 'sales'
- Exchanges of similar and dissimilar assets and non-reciprocal exchanges
- Gains and losses from peripheral operations and discontinued operations
- Construction contracts
- Franchise operations

#### **Reading:**

BX: Chapter 9 Revenue recognition

#### **Further Reading:**

Kieso (2008): Chapter 8 pp. 272-281 (first part of chapter)

#### **Assignments:**

BX: Questions 9-4 to 9-8, 9-17 to 9-24, 9-33 to 9-34, 9-35 to 9-40 (Note: 9-35 to 9-40 were part of the Final Examination, Semester 1, 2009).

### **Week 11 or 12** (7, 9 or 12 October)

- Nature of lease contracts
- Lease accounting terminology
- Distinguishing different types of leases
- Accounting for an operating lease
- Accounting for a finance lease
- Accounting at the end of the lease term
- Disposal of lease rights during the lease term
- Sale and leaseback transactions
- Real estate leases

#### **Reading:**

BX: Chapter 10 Lease accounting

#### **Further Reading:**

Kieso (2008): Chapter 17

Picker (2009): Chapter 14

#### **Assignments:**

BX: Multiple-choice questions 10-1 to 10-10, 10-11 to 10-19, 10-37 to 10-47 (Note: 10-37 to 10-47 formed part of the Final Examination, Semester 1, 2009).

<b>Week 12 or 13</b> (14, 16 or 19 October)
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- Executory contracts, obligations and the recognition of liabilities
- Provisions and contingencies
- Onerous contracts
- Measurement of liabilities
- Types of debt facilities
- Short-term debt – bank overdrafts, commercial bills and notes payable
- Long-term debt, bonds and unsecured notes

**Reading:**

BX: Chapter 11 Characteristics, recognition and measurement of liabilities

**Further Reading:**

Kieso: Chapter 13

**Assignments:**

BX: Multiple-choice questions 11-2, 11-4 to 11-5, 11-6, 11-15, 11-16, 11-17, 11-18 and 11-19.