INTRODUCTION

This subject is for users rather than preparers of accounting information. The subject covers primarily financial accounting with a component of management accounting. The focus is on the understanding and the use of accounting information, the composition and meaning of the financial statements prepared for resource providers, and the use of accounting systems to manage the creation of value within an organisation.

OBJECTIVES

The objectives of this subject are to introduce you to accounting and to provide both a conceptual and a practical understanding of its basic principles. Familiarity with the fundamentals of double-entry recording procedures provides a basis for the interpretation of financial reports but a detailed examination of the double-entry system is beyond the scope of this course.

Please note that this course is designed for users of financial information and does not provide you with the prerequisite knowledge for further financial accounting subjects. If you are an accounting major or you wish to study financial accounting in greater depth, ACCT 5930 Financial Accounting is more appropriate. The lecturer-in-charge of ACCT 5930 is Neil Fargher and he can be contacted on 9385 5809.

Upon completion of this subject it is expected that students will be able to:

- describe the purpose and use of the major external financial statements (balance sheet, profit and loss, and cash flow statement)
- identify the differences between cash accounting and accrual accounting
- develop a basic understanding of the double-entry system via transaction analysis
- interpret balance sheets, profit and loss statements, and cash flow statements
- apply financial ratios to assist in the analysis of financial statements
- identify and explain the limitations of ratio analysis
- explain the effect that various accounting policy choices have upon the preparation of the major external financial statements
- understand the differences between financial and management accounting
• appreciate how management accounting information is used in measuring value creation in an organisation
• apply cost-volume-profit analysis to planning decisions
• identify what drives costs in an organisation
• allocate costs to determine product profitability
• understand the relationship between customer value and shareholder value creation
• explain the ‘balanced scorecard’ concept

COURSE STRUCTURE

The course consists of one three hour seminar per week. Seminars are held at 9am Monday (Quadrangle Building G053) OR 6pm Tuesday (Old Main Building Room 31) OR 6pm Wednesday (Old Main Building Room 232 and Quadrangle Building Room G053). Students are only to attend the seminar group in which they are enrolled.

Seminars form the learning experience for this subject. Seminars will be devoted to examining problems, and case materials set each week. It is intended that staff will facilitate learning by clarifying issues and problems raised by students during the seminar. It is expected that, with the exception of the first seminar, students will have attempted all assigned questions prior to the seminars. Students are expected to be prompt in their attendance at seminars as late arrival is distracting and disruptive to the class. Please note that the university requires you to attend at least 80% of classes – failure to meet this requirement may result in an Unsatisfactory Fail grade.

For each seminar students are expected to complete a set of assigned questions. Seminar questions are set from the Trotman and Gibbins text for the first 8 topics. Questions for the final 3 topics will be provided, along with the reading for those topics, in the supplementary readings package.

ASSESSMENT

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100%
Quiz (5%)
A thirty minute quiz will be held in class in Week 5 (week commencing 26 March 2001) covering work from Topics 1-3. The quiz will be held at the beginning of class and no supplementary quizzes will be offered. The quiz will take the form of short answer questions. Previous examples of quizzes are included in your past examinations package.

Mid-session Test (20%)
A one hour mid-session test will be administered on 24 April 2001 at 7pm in a location to be advised. The mid-session test will cover work from Topics 1-6. Questions will be a combination of short answer discursive questions and practical calculative questions. Previous mid-session tests are provided in your past examinations package.

Group Assignment (30%)
The assignment for this subject will require groups of students to examine a set of financial statements for a company. The assignment is contained in your assignment package. Assignments are to be submitted to your seminar leader in your seminar time in Week 12 (week commencing 21 May 2001). Failure to do so will attract a flat 10% penalty for each 24 hour period (or part thereof) the assignment is late. For example, irrespective of the mark awarded, 3 marks (out of 30) will be deducted for each 24 hour period (or part thereof) the assignment is late. Extensions will only be granted in exceptional circumstances. The onus is on students to plan their workloads to meet subject deadlines.

Final Examination (45%)
The final examination will be held during the university examination period. All relevant previous final examination papers are provided in your past examinations package. The date and location of the final examination will be determined by the University.

SUPPLEMENTARY EXAMINATIONS
The supplementary exam will be held during Week 1 of Semester Two, 2001 (week commencing 23 July 2001). You should take this into consideration when organising work or travel commitments. If you are not available during that week, or cannot be contacted prior to the date of the examination, no further recourse will be available to you. It is essential that you advise Elizabeth Carson if your contact details (i.e. telephone, fax, e-mail and mailing address) change.

SATISFACTORY PERFORMANCE
To be eligible for a passing grade in this subject, students must perform at a satisfactory level in the mid-session exam, group assignment and final exam. Failure to do so may result in either supplementary examination being required or the award of an Unsatisfactory Fail grade. Please note also that a failure to attend more than 80% of classes may also result in the award of an Unsatisfactory Fail grade.
SUBJECT INTERNET SITE

The subject internet site may be found at:

http://www.webct.unsw.edu.au

Access to the website is restricted to those students enrolled in the subject.

SUBJECT CO-ORDINATOR AND SEMINAR LEADER

Elizabeth Carson  QUAD 3126  Phone  9385 5822
             Fax     9385 5925
             e-mail: e.carson@unsw.edu.au

Other Staff Members to be advised.

CONSULTATION HOURS

Elizabeth Carson will be available for consultation between 4:00pm and 6.00pm on Tuesday, and at other mutually agreed times. Email is the preferred form of contact and generally will be answered by the end of the next working day. Consultation time is intended to clarify concepts not understood by students who have attended seminars and to assist students with learning difficulties. Consultation hours are not a substitute for seminar attendance and should not be used for this purpose.

TEXTBOOK


This book can be purchased from the UNSW book shop in the Quadrangle Building.
ACCT5901 ACCOUNTING: A USER PERSPECTIVE  
Semester 1, 2001  
Course Summary  
(Refer Reading Guides for T&G readings and seminar questions)

Seminar 1  
Week 1 (26 February 2001)  Introduction to ACCT 5901

Seminar 2  
Week 2 (5 March 2001)  Topic 1: Introduction to Financial Accounting

Seminar 3  
Week 3 (12 March 2001)  Topic 2: Balance Sheet I

Seminar 4  
Week 4 (19 March 2001)  Topic 3: Profit and Loss I

Seminar 5  
Week 5 (26 March 2001)  Topic 4: Profit and Loss II (5% Quiz)

Seminar 6  
Week 6 (2 April 2001)  Topic 5: Balance Sheet II – Assets

Seminar 7  
Week 7 (9 April 2001)  Topic 6: Balance Sheet III - Liabilities and Equity

Mid-session recess week commencing 16 April 2001.

The midsession examination will be held at 7pm on Tuesday 24 April 2001. Location to be advised. No seminars will be held this week.

Seminar 8  
Week 9 (30 April 2001)  Topic 7: Financial Statement Analysis

Seminar 9  
Week 10 (7 May 2001)  Topic 8: Statement of Cash Flows and Audit Opinions

No set preparation for class in Week 11. Group meetings for assignment.

Seminar 10  
Week 12 (21 May 2001)  Topic 9: Management Accounting : Introduction  
Group assignment due.

Seminar 11  
Week 13 (28 May 2001)  Topic 10: Managing Profitability

Seminar 12  
Week 14 (4 June 2001)  Topic 11: The Balanced Scorecard