THE UNIVERSITY OF NEW SOUTH WALES
SCHOOL OF ACCOUNTING

ACCT 5930 FINANCIAL ACCOUNTING

SEMESTER 2, 2003

Introduction:
This course provides students with an understanding of the main financial statements produced by an accounting system and the process by which these statements are developed. It also considers the needs of users of accounting reports and the institutional and regulatory environment that affects the design of accounting systems.

This course provides a detailed introduction to financial accounting that is directly relevant to further study in accounting and finance. This course is also of interest to students studying MIS who expect to work with accounting or ERP software, students studying management, or students involved in small business management.

Objectives:

1. To identify the main users of accounting reports.

2. To develop a familiarity with the social, institutional and regulatory environments of corporate accounting practice.

3. To develop skills in conventional recording procedures and controls.

4. To develop skills in analysing financial reports.

5. To explore the issues associated with current corporate accounting practice.

Additional Skill Development

All students who pass this course will achieve proficiency in the technical accounting skills outlined in the course objectives. The course also develops more generic skills. The written assignment should be taken as an opportunity to improve your ability to analyse problems and to write formal business reports. Students for whom English is not their first language are strongly encouraged to fully participate in class and use this opportunity to develop oral presentation skills. All students should use class as an opportunity to interact with other students and to take advantage of the diversity of experiences students bring to this course.

Appropriateness of Course for particular groups of students

This course assumes no previous knowledge of accounting. This course is an appropriate introduction to financial accounting for students intending to become professional accountants or auditors. This course is also an appropriate introduction to financial accounting for students intending to pursue a career in finance because of the importance of accounting terms and concepts to many areas of finance. The course also provides a solid introduction to accounting for students primarily studying information systems, engineering or management.

As ACCT 5930 provides a more rigorous introduction to accounting than Accounting: a user perspective (ACCT 5901). This course (ACCT 5930) meets all degree requirements where ACCT 5901 is listed as a pre-requisite.

Students in the professional accounting stream are not typically exempt from ACCT 5930 unless they have completed three undergraduate courses in accounting. This graduate level course requires high quality preparation and interpretation skills. Only the early classes are similar to undergraduate accounting courses. This course covers elements of basic and intermediate level accounting. This course considers Australian, United States and International accounting standards. This course demands greater interpretative skills and understanding than typical undergraduate introductions to accounting. Students with some accounting knowledge should see this course as an opportunity to significantly improve their accounting skills. Additional readings are referenced for students interested in pursuing topics in greater depth.

Class Location/Time:

The course involves one three-hour class per week. There are no tutorials.

The course classes are available at the following times:
1. # 3503 Wednesday 6:00 p.m. – 9:00 p.m. OMB 149A
2. # 3671 Wednesday 10:00 a.m. – 1:00 p.m. ME 503
3. # 3722 Tuesday 2:00 p.m. – 5 :00 p.m. OMB 149A
4. # 3834 Wednesday 6:00 p.m. – 9:00 p.m. OMB 150

Students should attempt to attend the class in which they are enrolled.
You may attend a different class occasionally to suit your work schedule.
Quizzes must be taken with the class that you regularly attend.

Faculty:	**Room:**	**Phone:**
Neil Fargher	Quad 3105	9385 5809

Email: N.Fargher@Unsw.edu.au
Students are encouraged to come to consultation times to review homework problems or any other accounting problems causing concern.
Consultation time is tentatively set as Wednesday 3:30 p.m. to 5:30 p.m.
I am also available by appointment if the consultation time is not convenient.

Caitlin Ruddock	Quad 3123	9385 5806

Email: C.Ruddock@Unsw.edu.au
Consultation time is tentatively set as Monday 2:00 p.m. to 3:00 p.m.
I am also available by appointment if the consultation time is not convenient.

Required Textbook:

Only the textbook itself is required. No self-study guide or other materials are required.
"Fundamentals of Intermediate Accounting". D. E. Kieso, J. J. Weygandt and T. D. Warfield. (first edition) ISBN 0-471-07203-6

Additional Reading:

You are not required to purchase these books. They are listed only as sources you might wish to consult should you want additional explanation of concepts in the prescribed textbook.
K. Trotman and M. Gibbins, "Financial Accounting: an Integrated Approach", Nelson. Second Edition.
J. Hoggett and L. Edwards, "Accounting in Australia", Wiley. Second Edition.

Other Resources: Course Webpage

A course homepage is available on the WebCT system. Solutions to homework problems, past exams and newsgroup postings on particular homework problems are available on this site. Lecture notes and overheads will be added to this web site weekly during the session.

When posting a question to the newsgroup please include an informative topic.
e.g. If you have a question about a particular homework problem, include the problem number in the topic of the e-mail.
Careful choice of topics will make it easier for students to find answers to previously asked questions.

More details regarding this website will be announced in week two. To access WebCT students will need to be enrolled in the course and have a valid Unipass password.

You can enter WebCT using the following Web address: **http://www.webct.unsw.edu.au**
Click on *Log on to myWebCT* and enter your username and password. Your **WebCT username** is the same as your UNSW Student ID. Student IDs are seven digits preceded by a lower case 'z'. Make sure you do not enter a capital 'Z'.
Your **WebCT password** is the same UniPass that you use for other UNSW online services, such as accessing your NSS enrolment record. It is also case sensitive so make sure *Caps Lock* isn't turned on.

Topic Overview

Class	**Week Starting**	Topic	Assigned Reading Textbook Chapter	Assigned Problems Homework Problems	*Additional Problems Solutions Provided On Website*
1	July 28th	Introduction to Financial Accounting Basic Concepts	1	Chapter 1: Questions: 1 to 7, 23 to 29; Cases: 1-2, 1-3, 1-19.	
2	August 4th	Introductory Financial Accounting Identifying and recording information Conceptual Framework	2	Chapter 2: Questions: 1 to 26, Case 2-4. Read chapter 3, Start chapter 3 homework.	
3	August 11th	The Accounting Information System (An introduction to accounting for beginners) (Crucial for first time accountants)	3	Brief Exercises: 3-1 to 3-12. Exercises: 3-1, 3-5, 3-10; Problems: 3-1, 3-3, 3-4, 3-9, 3-12.	P 3-13.
4	August 18th	Practice quiz chapters 1-3 Measuring Financial Position: The Balance Sheet	4	Questions: 1 to 7; Exercises: 4-1, 4-3, 4-5; Problems: 4-3, 4-4; International Reporting Case.	E 4-4, Case 4-4.
5	August 25th	Measuring Financial Performance: The Profit & Loss / Income Statement	5	Questions: 1 to 7; Exercises: 5-1, 5-3, 5-4, 5-9, 5-10; Problems: 5-1, 5-3; International Reporting Case.	E 5-5, P 5-5, Case 5-5.
6	Sept 1st	**Quiz 1 covering chapters 1-5** Conceptual Framework Revisited International Reporting Case chapter 2 page 59	2	Cases: 2-9. BE 2-7, 2-10; P 3-2, 3-6, 3-7; E 4-6, P 4-5; E 5-11, P 5-4.	Prior quiz 1's available on class website

Class	Date	Topic	Assigned Reading Textbook Chapter	Assigned Problems	*Additional Problems Solutions Provided*
7	Sept 8th	Revenues and Cash Flows	6 Appendix 6A Appendix 6B	E 6-11, 6-13, 6-14 (cash flow) E 6-1, 6-2, 6-5, 6-7, 6-8, 6-13	E 6-15 P 6-11 6-12
8	Sept 15th	Cash and Receivables Inventories	7 8	E 7-1, 7-3, 7-18, 7-13, 7-20, 7-22 E 8-1, 8-2, 8-7, 8-8, 8-21 P 8-10, Case 1	E 7-21, E 7-24, E7-25
9	Sept 22nd	Property Plant & equipment Intangible assets Investments in equity	9 10 13	E 9-1, 9-3, 9-4, 9-6, 9-9, 9-12 International reporting case Q 10 – 1 to 27. E 13-3, 13-5, 13-6, 13-9, 13-10, 13-15	E 10-1 E 13-13 Case 13-3
		Mid-session Recess September 29 – Oct 3			
10	Oct 6th	**Quiz 2 chapters 1 – 10, 13** Investments in debt (not on quiz 2)	 13	 E13-1, 13-2, 13-16, 13-17	 E13-18
11	Oct 13th	Liabilities Shareholders Equity	11 12	E 11-1 to 7, 11-17, P11-4, C11-1. E 12-1, 3, 7, 11, 12. P12-1, C12-2.	 P12-3

Class	Date	Topic	Assigned Reading Textbook Chapter	Assigned Problems	*Additional Problems Solutions Provided*
12	Oct 20th	Preparation of cash flow statements	Appendix 17A	Complete Assignment	
13	Oct 27th	More advanced cash flow statements Preliminary Financial Statement Analysis **Assignment Due**		Practice Final Exams – cash flow questions (webCT) Comparative analysis cases for Chapters 12 and 13	Fin'l Statement Analysis Cases ch 11 and 12.
14	Nov 3rd	Course Review			
Final		**Comprehensive Final Exam** Time and Location to be announced. "Closed book, open mind" exam.			

Preparation for Classes:

There will be 14 classes each of 3 hours duration plus examinations. Students should budget for a minimum of 7 hours per week in addition to class time to carefully read each chapter, and to complete the homework from each chapter.

Students need to adopt a continuous learning approach in order to successfully master accounting. A typical weekly schedule should allow time to: regularly review class notes and complete outstanding homework problems from the previous class, read chapter for the upcoming class, summarise the chapter for the upcoming class, and attempt the assigned homework problems for the upcoming class.

Accounting is "the language of business". Being fluent in accounting is a valuable skill. Like learning a language the fundamentals learned early in the course are important to understanding later material. Specified readings and exercises are to be prepared prior to all classes. It is very important to learning accounting that the assigned homework problems are completed and understood every week. Students failing to keep up to date with the work will place themselves at a significant disadvantage.

The problems listed as "Additional Problems" on the course outline are not specifically required. These problems provide additional practice in order to review a particular topic where you consider the extra work would be helpful. These questions can also be helpful in testing your knowledge when studying for examinations.

The assignment question will be distributed in class (usually in week 2). Work on the assignment throughout the session.

Assessment:

Written Assignment	15 %
Mid-session Examination 1 (Quiz 1)	15 %
Mid-session Examination 2 (Quiz 2)	25 %
Final Examination	45 %

The final examination will cover all material presented throughout the course. Further details of this exam will be provided towards the end of the session. The mid-session examinations will consist of two in-class exams.

All assessment tasks are considered compulsory. Failure to complete an assessment task without prior approval for an excused absence will result in receiving an Unsatisfactory Fail (UF) grade for this subject. Subject to the provision of appropriate documentation for an excused absence, students who are unable to attend the mid-session quizzes will have their final examination weighted by an additional amount.

Being Informed

Students are deemed to be aware of the contents of the *UNSW Student Guide.* The *Student Guide* provides information with respect to university policies on attendance and absence, academic misconduct, rules for the conduct of examinations, and resolving grievances. You are also deemed to be aware of the contents of this subject outline and any announcements made during class.

Students are specifically reminded that the University regards academic misconduct as a very serious matter. Some of the actions which have resulted in students being found guilty of academic misconduct include: taking unauthorised materials into an examination, submitting work for assessment knowing it to be the work of another person, and failing to acknowledge the source of material in an assignment.
Students must be careful not to plagiarize. Plagiarism entails taking and using as one's own, the thoughts or writings of another without acknowledgement including:
(a) where paragraphs, sentences, a single sentence or significant part of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted;
(b) where direct quotations are not used, but ideas or arguments are paraphrased or summarised, and the source of the material is not acknowledged either by footnoting or other reference within the text of the paper; and
(c) where an idea, which appears elsewhere in print, film or electronic medium, is used or developed without reference being made to the author or the source of the idea.
For all of your courses be careful to understand what is, and what is not, acceptable for each assignment and exam.

For further information on student responsibilities refer to the Faculty of Commerce and Economics web site at: http://www.fce.unsw.edu.au. Select “current students” and “responsibilities”.