

THE UNIVERSITY OF
NEW SOUTH WALES



Australian School of Business™
School of Accounting

ACCT 2542
CORPORATE FINANCIAL REPORTING & ANALYSIS

COURSE OUTLINE
SESSION 2, 2008

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1. COURSE STAFF

1.1 Staff members and contact details

Staff members assigned to the course are listed below:

	<u>Room</u>
Diane Mayorga (course coordinator)	QUAD 3070
Dr Maria Balatbat	QUAD 3061A
Jeffrey Knapp	QUAD 3103
Candy Tu	QUAD 3095
Jerry Chen	QUAD 3058
Adrian Koit	QUAD 3089
Amy Koit	QUAD 3089
Mary Zhu	QUAD 3089
David Li	QUAD 3089
Sarah Tan	QUAD 3089

1.2 Communication and consultation with staff

Important announcements and any changes to this document will be posted on the WebCT Vista course website. It is the student's responsibility to regularly check the course website for important announcements. This document is also available on the course WebCT site. Please be aware that most, if not all, administrative questions relating to the course can be answered by referring to the Course Outline. Staff will NOT respond to e-mail queries that can be answered by referring to the Course Outline.

Members of staff teaching the course will be available for consultation at specified hours as posted on WebCT Vista at <http://vista.elearning.unsw.edu.au> or by appointment. Problems should be directed in the first instance to your tutorial instructor in your tutorial class. Most members of staff will be available for up to three hours per week to conduct consultations on a drop-in basis. You are encouraged to seek help at a time that is convenient to you from any staff member teaching on this course 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 OR BY PHONE.**

For administrative issues, please note that common written etiquette must be observed when conducting any written communication with staff members. Please identify yourself clearly using both your student ID and your full name. Communications that use short hand and "SMS" language and which are not properly addressed and signed-off are not encouraged. Staff will not respond to these types of e-mails. Hence, all e-mails should be properly addressed and signed, for example, *Dear Name of Lecturer or Tutor, From Student's Name.* **It is important that any e-mail communication is made from your *University of New South Wales student account*, not from another provider (i.e. Hotmail, Yahoo, Gmail, etc.) as we will only respond to e-mail communication from UNSW student accounts. The requirement to use your student Unimail account when communicating by email with course personnel is in accordance with University policy.**

2. INFORMATION ABOUT THE COURSE

2.1 Teaching times and locations

Lecture times and locations follows:

Lect A	Mon	12:00 - 14:00	CLB 7
Lect B	Wed	13:00 – 15:00	KBT
Lect C	Mon	18:00 – 20:00	CLB 3
Lect D	Wed	9:00 – 11:00	REX VOWELS

Tutorial times and locations can be found on MyUNSW. Attendance at both lectures and tutorials is compulsory. You must attend your allocated tutorial and lecture stream.

Lectures are not recorded. Lecture notes will be posted on WebCT at the beginning of each week. Lecture notes ARE NOT substitutes for missing lectures.

Please note that because Monday 6 October 2008 (start of Week 10) is a public holiday (Labour Day) there will be no lectures on that date. However, students who normally attend the Monday lectures may attend either of the Wednesday lectures or a special make up evening lecture. The date, time and venue for the special make up lecture will be posted to WebCT closer to the date of the lecture.

2.2 Units of credit

ACCT2542 Corporate Financial Reporting and Analysis has a total of 6 units of credit.

2.3 Relationship of this course to other course offerings

This course is offered by the School of Accounting and may form part of an accounting major, double major or disciplinary minor within the Bachelor of Commerce or Bachelor of Economics degrees. In order to enrol in this course a student must have satisfied the requirements of ACCT1511 Accounting and Financial Management 1B. ACCT2542 also constitutes part of the core curriculum studies required by CPA Australia and the Institute of Chartered Accountants in Australia and is accredited by the Institute of Actuaries of Australia.

2.4 Approach to learning and teaching

At university, the focus is on your self-directed search for knowledge. Lectures, tutorials, textbooks, exams and other resources are all provided to help you learn. You are therefore required to attend all lectures and tutorials, and read all required readings in order to fully grasp and appreciate the concepts of the course.

It is up to you to choose how much work you do in each part of the course: preparing for lectures and tutorials; completing tutorial and practice questions; studying for exams; and seeking assistance to extend and clarify your understanding. You must choose an approach that best suits your learning style and goals in this course. Tutorial and practice questions are provided to guide your learning process.

Teaching staff have put a great deal of thought into the development and presentation of this course so students may experience a flexible but directed learning approach to Corporate Financial Reporting and Analysis.

3. COURSE AIMS AND OUTCOMES

3.1 Course aims

This course is concerned with external financial accounting and reporting practices of listed public companies. It is intended for students who will be involved in future in the preparation or use of company financial statements whether as financial accountants, financial executives, taxation officers, auditors, financial analysts, actuaries, legal advisors or academics.

The course builds on the foundations laid in ACCT1501 and ACCT1511 (Accounting and Financial Management 1A and 1B, respectively). More complicated business transactions are considered, including accounting for complex groups of companies in the form of consolidation accounting and accounting for joint ventures and investments in associates. Tax effects of complicated business transactions will also be considered in this course. Regulatory requirements for the preparation of financial statements for individual companies and groups will be covered using applicable standards that are in compliance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The course also covers additional requirements set by the Australian Accounting Standards Board (AASB) as applicable for each topic. This course together with ACCT 3563 (Issues in Financial Reporting and Analysis) gives students an understanding of the AASBs with which listed public companies must comply.

An important aim of the course is to provide students with opportunities to practise communicating accounting information to external parties in the form of a financial report. In addition, the course attempts to challenge the student to think critically about corporate financial reporting by fostering an appreciation of:

- (a) alternative accounting practices and issues relating to their application;
- (b) accounting standards (both IFRS and AASB/AIFRS) and other pronouncements pertaining to various accounting issues covered in the course;
- (c) the role of the framework in evaluating accounting issues; and,
- (d) relevant research on the effects of accounting policy choices on financial statements, capital markets and decision-making behaviour.

Technical accounting knowledge must be accompanied by skills in problem identification, analysis and solution as well as the ability to communicate clearly both orally and in writing. Such skills are developed through training and practice. These objectives are achieved through lectures and discussion of accounting issues in tutorials.

3.2 Student learning outcomes

Content-based Learning Outcomes

As a result of satisfactorily completing this course, you should be able to:

- 1) Understand the scope of regulation relating to Australian external financial reporting.
- 2) Discuss the role of the conceptual framework of accounting and its relevance to financial reporting
- 3) Explain the disclosure requirements as they relate to a reporting entity
- 4) Account for changes in accounting estimates, accounting policies and prior period errors.
- 5) Discuss how corporate financial statements are used in business decision making.
- 6) Discuss the form and content of corporate financial statements and understand how some elements of these reports are recognised, measured and subsequently valued subject to applicable regulations, accounting standards and/or pronouncements.

- 7) Describe accounting issues in acquisitions of other entities and identify appropriate accounting policies adopted for a given corporate structure in order for these transactions to be fairly presented in the financial statements.
- 8) Prepare financial statements that comply with the appropriate accounting standard for a given corporate structure (e.g. accounting for income taxes, consolidation of subsidiaries, investments in associates and joint ventures, segment reporting, earnings per share etc.)

Skills-based Outcomes

As a result of satisfactorily completing this course, you will achieve the following skills:

- 9) a capacity to learn independently and to assume responsibility for the learning process;
- 10) an opportunity to think critically about informing literatures (both research and practitioner-based literature) and generally accepted accounting principles;
- 11) a capacity to conduct applied business research – identifying accounting transactions, interpreting appropriate AASB and applying accounting standard to transaction; and,
- 12) an opportunity to reflect on your own strengths and weaknesses as a learner.

3.3 Teaching strategies

Overview

All formal teaching in this course is via one weekly two-hour lecture and one weekly one-hour tutorial. Lectures and tutorials provide a valuable and necessary context in which complex financial accounting and reporting concepts are explained in an accessible and understandable way. Students are expected to attend both the one two-hour lecture and the one-hour tutorial. Both the lectures and tutorials commence **Week 1**.

Lecture notes will be made available before the start of a new lecture topic.

Lectures

As already noted, the purpose of lectures is to introduce and explain concepts that are critical to the core topics of the course. Lectures are also aimed to provide guidance on how these concepts are applied in corporate financial reporting by providing practical examples. **In order to maximise the benefits of attending lectures, students are expected to review the relevant study materials thoroughly before attending lectures.**

After each lecture you should spend some time reviewing your notes and reviewing again the required reading to ensure that you fully understand the course material and can take full advantage of the learning opportunity afforded by the lectures.

Tutorials

After attending the lecture and reading the required reading you should work through all tutorial and practice questions prior to attending your tutorial. Any questions or difficulties that you encounter in attempting the tutorial questions can then be directed to your tutor during your tutorial. If after attending your tutorial you still have questions relating to the course material, you should seek help from any of the course staff during their scheduled consultation hours. Students should bring their worked through tutorial problems and a copy of the week's tutorial questions (or textbook) to their tutorial.

Each student is required to register for a tutorial group via the MyUNSW system. Tutorials (one hour per week) will be held each week from weeks 1 to 12. Tutorial questions for each week are listed in the last section of this course outline. **It is essential that, prior to a tutorial, you read**

the relevant course materials and prepare written responses to all “Tutorial Questions” assigned. It is also your responsibility to work through all “Practice Questions”. Solutions are provided to all “Practice Questions”. Please refer to Section 4.1 for further information. Tutorials represent the major feedback and learning component of the course and it provides an opportunity for students to question and discuss further the theory and practical examples covered in lectures. **As tutorials are of limited time, benefits from tutorials are only fully realised when students prepare thoroughly in advance.**

Students are able to change their tutorial allocation on-line up to 5pm Friday, 8 August 2008 (end of week 2) at: <https://my.unsw.edu.au/portal/dt>. **NO CHANGES WILL BE ALLOWED AFTER FRIDAY 8 AUGUST 2008.**

Self Study

Self study is a key element of the learning design of this course. Practice questions have been posted on WebCT Vista to facilitate deeper learning of core elements of the course. Further on-line self study resources are available through McGraw-Hill Irwin publisher of Australian Financial Accounting 5e (Deegan 2007) once you purchase this textbook. The aim of the practice questions and additional self-study materials is to encourage students to assume responsibility in the learning process, and to make the tutorials more effective. Thus, the onus is on students to review and complete these materials. Staff will be available in consultation hours to assist with difficulties experienced with practice questions and self study materials.

4. STUDENT RESPONSIBILITIES AND CONDUCT

4.1 Preparation for and performance in class

The Tutorial Program (Section 10) lists “Tutorial Questions” and “Practice Questions” for each tutorial.

It is a requirement of this course that all students read the assigned weekly readings and attempt all “Tutorial Questions” prior to attending their tutorial. Solutions for the Tutorial Questions will NOT be posted onto the course’s WebCT site. Instead, students will work through these questions with their tutor during their tutorial and in doing so will obtain the solutions.

Students are also required to work through the “Practice Questions” in their own study time. Solutions are provided by start of each week for all of the Practice Questions.

The importance of adequate preparation prior to each tutorial including the completion of all tutorial and practice questions cannot be overemphasised, as the effectiveness and usefulness of the tutorial depends to a large extent on students’ active participation during the tutorial.

Class Tests and Final Exam questions can be based on either the “Tutorial Questions” or the “Practice Questions”.

4.2 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 exercises and problems, and attending classes. In periods where you need to complete 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.

4.3 Attendance

Your regular and punctual attendance at lectures and tutorials is expected in this course.

University regulations indicate that if students attend less than 80% of scheduled classes they may be refused final assessment.

4.4 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. More information on student conduct is available at: www.my.unsw.edu.au

4.5 Keeping informed

You should take note of all announcements made in lectures, tutorials or on the course web site. 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. Specific announcements will also be made via the Course Website.

It is your responsibility to ensure that:

1. You are recorded by the University as being correctly enrolled in all your courses.
2. You have successfully completed all prerequisite courses. Any work done in courses for which prerequisites have not been fulfilled will be disregarded (unless an exemption has been granted), and no credit given or grade awarded.
3. **Week Zero commences 21 July** (although note some variation to this may occur due to the Papal visit). **Monday 28 July** is the first day of Semester 2 classes. **Sunday 3 August** is the last day you can enrol in Semester 2 courses.
Sunday 31 August is the last day for students to discontinue without financial penalty (and the last date to finalise arrangements for HECS-HELP and FEE_HELP).
Sunday 7 September is the last day to discontinue without academic penalty.
The **mid-semester break** runs from **27 September to 6 October (inclusive)**
4. You organise your affairs to take account of examination and other assessment dates where these are known. Be aware that your final examination may fall at any time during the semester's examination period. The scheduling of examinations is controlled by the University administration. No early examinations are possible. The examination period for Semester 2, 2008, falls between **29 October and 14 November**.
5. When the provisional examination timetable is released, ensure that you have no clashes or unreasonable difficulty in attending the scheduled examinations. The final examination timetable for Semester 2 is released in October (date TBA).
6. Students in ASB classes can expect to sit any **supplementary exams** granted, on a common date. That date will be advised during the semester but will normally be about 2 weeks after the end of the exam period (around the end of November). It is your responsibility to check the ASB website and ensure that you are available to take the exam on the scheduled date.

A FULL LIST OF UNSW KEY DATES IS LOCATED AT:

[HTTPS://MY.UNSW.EDU.AU/STUDENT/RESOURCES/KEYDATES.HTML](https://my.unsw.edu.au/student/resources/keydates.html)

5. LEARNING ASSESSMENT

5.1 Formal requirements

To be eligible for a passing grade in this course, students must:

- (a) Achieve a composite mark of at least 50% **AND**
- (b) Satisfactorily complete all assessment tasks (or submit appropriate documentation relating to your failure to complete a task to the Course Coordinator) **AND**
- (c) Achieve a satisfactory level of performance in the final exam. This usually means a minimum mark of 50%. Any student having an overall mark of 50 or more but less than 50% in the final examination will be given a UF grade (unsatisfactory fail) or be asked to sit a supplementary final exam, depending on the individual's circumstances.

A "pass conceded" (PC) grade may only be granted by the Australian School of Business Assessment Committee, and not the Head of School of Accounting nor the Lecturer-in-charge of this course.

5.2 Assessment overview

The composite mark for **ACCT2542** will be calculated as follows:

Assessment Item (Due date)	Weight	Item Assesses Learning Outcomes
Class Test 1 – Lecture Topic 1 Held in Week 3 tutorials	10%	6, 8, 9, 11 and 12
Class Test 2 – Lecture Topics 2 & 3 Held in Week 6 tutorials	20%	6, 7, 8, 9, 11 and 12
Class Test 3 – Lecture Topic 9 Held in Week 11 tutorials	10%	3, 5, 6, 8, 9, 11 and 12
Final exam	60%	1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12
TOTAL	100%	

Class Tests 1, 2, and 3 (10%, 20% and 10% respectively)

Class tests will be held in weeks 3, 6 and 11 in your assigned tutorials. You must sit each class test in the tutorial in which you are enrolled. No exceptions will be made. More information regarding each class test will be posted to WebCT closer to the date of each class test. Class test 1 will cover lecture topic 1 and related tutorials. Class test 2 will cover lecture topics 2 and 3 and related tutorials. Class test 3 will cover lecture topic 9 and related tutorial. The aim of these class tests is to provide students with ongoing feedback relating to your understanding and learning progress within the course.

Class tests will always commence at the beginning of the tutorial. Students are advised to arrive on time as NO additional time will be given to students who arrive late for the class tests. **THERE WILL BE NO SPECIAL CONSIDERATION AND SUPPLEMENTAL EXAMINATIONS FOR CLASS TESTS 1 & 3.**

Final exam (60% marks)

The final exam will cover the whole course but with emphasis on lecture topics from weeks 2-8 and weeks 10-12 and tutorial weeks 3-9 and weeks 11-12. This assessment is aimed at testing both technical and analytical skills covering the main components of this course (i.e. consolidation accounting). More information on the structure of the final examination will be posted on WebCT in Week 12.

A selection of past final examination paper questions will be posted on the Course website closer to the exam date. **Students should note that the course content has changed substantially from previous semesters, hence past exams especially those prior to 2005 may not be a reliable guide to examinable material.**

5.3 Special consideration and supplementary examinations

Students who believe that their performance in this subject, either during session or in an examination, has been adversely affected by sickness, misadventure or other circumstances beyond their control may apply for special consideration for affected assessments. **Note that in this case, students must submit a request for special consideration.**

The School of Accounting follows the UNSW Policy and Process for Special Consideration (see <https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>) and for undergraduate courses, the ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses. 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 teaching staff;
- 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 notify your Lecturer in Charge (within 3 working days of the assessment to which it refers)**
- Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

In the ASB, requests for special consideration are determined by a Faculty wide panel which will advise the Lecturer in Charge of appropriate action.

If the Faculty panel (see above) grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.
- Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

Further information concerning supplementary examinations is available on the 'Policies and Guidelines for Current Students' page of the ASB website:

www.business.unsw.edu.au/currentstudents.

6. 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>

Plagiarism is the presentation of the thoughts or work of another as one's own.* Examples include:

- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person's assignment without appropriate acknowledgement;
- paraphrasing another person's work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does *not* amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

www.lc.unsw.edu.au/plagiarism

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle

† Adapted with kind permission from the University of Melbourne.

7. STUDENT RESOURCES

7.1 Course resources

Required textbooks for ACCT2542 are the following:

- 1) Picker, R, K Leo, K Alfredson et al., P Pacter J Radford and V Wise, Australian Accounting Standards, John Wiley & Sons Australia, Ltd, 2006.
- 2) Deegan, C., Australian Financial Accounting, 5th edition, McGraw-Hill, 2007.

Recommended textbooks for ACCT2542 are the following:

CPA Australian Accounting Standards (AASBs) 2008 or ICAA Australian Accounting Standards 2008

Australian Accounting Standards are available for viewing or downloading from the AASB's homepage (see <http://www.aasb.com.au/>).

7.2 Course website

A course website is maintained within the WebCT Vista environment. The ACCT2542 WebCT Vista site (<http://www.vista.elearning.unsw.edu.au>) provides course information, lecture notes (beginning of the week), suggested tutorial solutions (end of each week), course announcements and any other learning and administrative material deemed suitable by the lecturers from time to time. A discussion forum is not maintained for this course. We cannot place any material on the website that involves the use of student IDs or that raises issues with respect to privacy.

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. If you have any difficulties with WebCT Vista access, please contact the University's WebCT support services "Disconnect".

7.3 Other resources, support and information

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

- Learning and study support;
- Counselling support;
- Library training and support services;
- Disability support services;

In addition, it is important that all students are familiar with policies and procedures in relation to such issues as:

- Examination procedures and advice concerning illness or misadventure;
- Special Consideration including Supplementary Examinations;
- Occupational Health and Safety policies and expectations;

For detailed information and links relating to the above services and policies, please see below and refer to the Australian School of Business' website if additional information is needed.

ASB Education Development Unit

The Education Development Unit (EDU) provides learning support and assistance to all students in the ASB, to enable them to enhance the quality of their learning. The EDU services are free, and tailored to meet the academic needs of students in the Australian School of Business.

The role of the EDU is to provide

- A range of support initiatives for students from the Australian School of

Business in relation to their transition to university;

- Learning skills development, resources and activities for Business students
- Academic writing and skills workshops throughout the session;
- Printed and online study skills resources, such as referencing guides, report writing and exam preparation;
- A drop-in EDU Office containing books and resources that can be borrowed;
- A limited consultation service for students with individual or small group learning needs.

The EDU website www.business.unsw.edu.au/edu contains information, online resources and useful links as well as providing information and dates for workshops. More information about the EDU services including resources, workshop details and registration, and consultation request forms are available from the EDU Office.

EDU Contact Details

Location Room GO7 Ground Floor,
West Wing, Australian School of Business Building
Telephone: 02 9385 5584
Email: Edu@unsw.edu.au
Website www.business.unsw.edu.au/edu

UNSW Learning Centre (<http://www.lc.unsw.edu.au>)

In addition to the EDU services, the UNSW Learning Centre provides academic skills support services for all UNSW students. The Learning Centre is located on Level 2 of the Library and can be contacted by phone: 9385 3890 or through their website.

Technical support:

For any technical support issues (difficulty logging in to websites, problems downloading documents, etc) you can contact the UNSW IT Service Desk at:
(02) 9385 1333 ; Email: servicedesk@unsw.edu.au

Counselling support - <http://www.counselling.unsw.edu.au>

Students experiencing problems of a personal or academic nature are encouraged to contact the Counselling Service at UNSW. This consultation service is free and confidential and run by professional counsellors. The Counselling Service also conducts workshops on topics such as 'Coping With Stress' and 'Procrastination'. The Counselling Service is located on Level 2, Quadrangle East Wing, and can be contacted on 9385 5418.

Library training and support services - <http://info.library.unsw.edu.au>

Disability Support Services – Those students who have a disability that requires some adjustment in their teaching or learning environment are encouraged to discuss their study needs with the Course Coordinator or the Equity Officer (<http://www.studentequity.unsw.edu.au/disabil.html>). Early notification is essential to enable any necessary adjustments to be made.

In addition, it is important that all students are familiar with University policies and procedures in relation to such issues as:

Examination procedures and advice concerning illness or misadventure
<https://my.unsw.edu.au/student/academiclife/assessment/examinations/examinationrules.html>

Occupational Health and Safety policies and student responsibilities;
<https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>

7.4 Are you adequately prepared for ACCT2542?

Since ACCT1501 & ACCT1511 are prerequisites for this course, it is assumed that students know the basic double-entry recording system with its use of debits and credits. It is also necessary to refresh your knowledge of the following topics that have been covered in first year accounting subjects:

1. Accounting for dividends (cost and equity methods)
2. Asset revaluation
3. Accounting for inventories (perpetual and periodic methods)

These topics are **assumed knowledge** when we cover consolidation accounting commencing in Week 2. Those students who do not feel confident about their knowledge on these topics should review the relevant parts of the first year text, Trotman and Gibbins, Financial Accounting: An Integrated Approach (2005). Some exercises from Trotman and Gibbins with suggested solutions are also provided to assist you in revising these topics. Students should download this file from WebCT to test their understanding of these topics.

The importance of having a good understanding of ACCT1501 and ACCT1511 content cannot be overemphasised as your ability to comprehend the concepts in ACCT2542 will be directly linked to your understanding of first year accounting material.

7.5 Reference books

(Please Note: Students should not purchase these books as these books are held on Open Reserve, Main Library)

Alfredson, Leo, Picker, Radford and Pacter, International Accounting Standards, Wiley, 2005.

Kieso, Fargher, Wise, Weygandt and Warfield, Intermediate Accounting, Wiley, 2008

Trotman, K. and M. Gibbins, Financial Accounting: An Integrated Approach, 3rd Edition, ITP Nelson 2005.

7.6 other useful websites

Australian Accounting Standards Board, (AASB) - www.aasb.com.au

Australian Society of Certified Practising Accountants (ASCPA)- www.cpaaustralia.com.au

Australian Stock Exchange - www.asx.com.au

International Accounting Standards Committee (IASC) - www.iasc.org.uk

Institute of Chartered Accountants in Australia (ICAA) - www.icaa.org.au

8. COURSE EVALUATION AND DEVELOPMENT

Student feedback is gathered periodically by various means. Such feedback is considered carefully with a view to acting on it constructively wherever possible.

At the end of each teaching term, formal feedback is sought through UNSW's Course and Teaching Evaluation and Improvement (CATEI) Process (http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm) from students about the course and improvements are made based on this feedback.

Significant changes to this course based on comments received through CATEI from students enrolled in session 2, 2007 term have resulted in the providing lecture notes for all topics, changes in the ordering of the topics covered and providing more feedback to the students throughout the session.

Your constructive feedback is welcomed and you can direct any feedback outside the CATEI

process to the Course Coordinator.

9. TOPICS BY WEEK

	Topics	Reading Materials
Week 1 28 July (JK)	<p>Lecture Topic 1</p> <p>Mandatory Revision of Financial Accounting Fundamentals</p> <ul style="list-style-type: none"> The Accounting Information System <p>Accounting for income tax</p> <ul style="list-style-type: none"> Reconcile profit before tax to taxable income in order to recognise current tax Distinguish between the carrying amounts and tax bases of assets and liabilities in order to determine assessable temporary differences and deductible temporary differences Recognise deferred taxes assets and deferred tax liabilities and explain how they reverse Accounting for tax losses 	<p>Download from WebCT <i>Kieso, et al., 2008, Fundamentals of Intermediate Accounting</i>, Chapter 3, pages 69 to 103</p> <p><i>Picker et al, Chapter 6</i></p> <p><i>Tute Notes Week 1 (WebCT)</i></p> <p><i>AASB 112 "Income Taxes"</i></p>
Week 2 4 August (JK)	<p>Lecture Topic 2</p> <p>Consolidation: Introduction and Basics</p> <ul style="list-style-type: none"> Acquisition analysis for business combination <ul style="list-style-type: none"> Allocation of cost of business combination Measurement of goodwill or excess Explain the meaning of control and identify the group subject to consolidation Prepare the pre-acquisition entries for the investment asset in the subsidiary Fair value adjustments on consolidation including tax consequences Prepare basic consolidation worksheet <ul style="list-style-type: none"> Line-by-line aggregation Eliminations and adjustments 	<p><i>Picker et al:</i> <i>Chapter 10 (to p. 380)</i> <i>Chapter 16 (to p. 628)</i> <i>Chapter 17 (to p. 679)</i></p> <p><i>Tute Notes Week 2 (WebCT)</i></p> <p><i>AASB 3 "Business Combinations"</i> <i>AASB 127 "Consolidated and Separate Financial Statements"</i></p>
Week 3 11 August (JK)	<p>Lecture Topic 3</p> <p>Elimination of intra-entity transactions</p> <ul style="list-style-type: none"> Impairment of goodwill on acquisition Prepare consolidated journal entries for: <ul style="list-style-type: none"> Intra-group sale of inventory Unrealised profit in opening inventory Unrealised profit in closing inventory Intra-group transfer and unrealised profit in plant including excess depreciation adjustments Intra-group borrowings and interest Inter-company dividends (pre-acq and post – acq) Prepare comprehensive consolidation worksheet 	<p><i>Picker et al:</i> <i>Chapter 11 (pp. 435-439)</i> <i>Chapter 18</i></p> <p><i>AASB 3 "Business Combinations"</i> <i>AASB 127 "Consolidated and Separate Financial Statements"</i> <i>AASB 136 "Impairment of Assets"</i></p>

	Topics	Reading Materials
Week 4 18 August (JK)	Lecture Topic 4 Consolidation: Minority Interests <ul style="list-style-type: none"> • Describe the nature of minority interest and the allocation issue in consolidation accounting • Prepare consolidation journal entries for the minority interest <ul style="list-style-type: none"> ○ Pre-acquisition capital and reserves ○ Post-acquisition reserves ○ Current net profit ○ Unrealised profits and excess depreciation • Prepare comprehensive consolidation worksheet 	<i>Picker et al:</i> <i>Chapter 19</i> <i>Tute Notes Week 4</i> <i>Posted on (WebCT)</i> <i>AASB 3 “Business Combinations”</i> <i>AASB 127 “Consolidated and Separate Financial Statements”</i>
Week 5 25 August (JK)	Lecture Topic 5 Consolidation: Indirect Ownership Interests <ul style="list-style-type: none"> • Determine direct and Indirect ownership interests in a group with multiple levels of subsidiaries • Describe how direct and indirect ownership interests are utilised in the minority interest allocation • Prepare consolidation journal entries for minority interest • Prepare comprehensive consolidation worksheet 	<i>Picker et al, Chapter 20 (up to p. 834)</i> <i>Tute Notes Week 5 (WebCT)</i> <i>AASB 127 “Consolidated and Separate Financial Statements”</i>
Week 6 1 Sept. (DM)	Lecture Topic 6 Equity Accounting <ul style="list-style-type: none"> • Identify associates and understand the difference between an associate and a subsidiary • How to account for equity investments • How to apply equity accounting - consolidated or separate financial statements? 	<i>Deegan 5e: Chapter 33</i> <i>AASB 128 “Investments in Associates”</i>
Week 7 8 Sept. (DM)	Lecture Topic 7 Accounting for Interests in Joint Ventures Understand what a joint venture is <ul style="list-style-type: none"> • Accounting for venturer’s interest in different types of joint ventures: <ul style="list-style-type: none"> ○ Jointly controlled operations ○ Jointly controlled assets ○ Joint venture entities 	<i>Deegan 5e: Chapter 34</i> <i>Picker et al: Chapter 23</i> <i>section 23.6.2 pages 974 to 980 only</i> <i>AASB 131 “Interests in Joint Ventures”</i>
Week 8 15 Sept. (DM)	Lecture Topic 8 Introduction to Corporate Financial Reporting <ul style="list-style-type: none"> • Australian external financial reporting environment and regulatory framework • Standard setting process in Australia • Conceptual Framework 	<i>Picker et al, Chapter 1 and Chapter 2</i> <i>Accounting Handbook:</i> <ul style="list-style-type: none"> • Framework • SAC 1 • SAC 2

	Topics	Reading Materials
Week 9 22 Sept. (MB)	Lecture Topic 9 Earnings per share <ul style="list-style-type: none"> • Calculate basic and diluted earnings per share • Disclosure requirements • Importance and usefulness of earnings per share disclosure 	<i>Deegan 5e, Chapter 27</i> <i>AASB 133 "Earnings per share"</i>
Mid-session break 29 Sept. to 6 Oct.	No lectures or tutorials	
Week 10 7 October (MB) As 6 Oct. is a public holiday, a make up lecture will be scheduled for the missed Monday lectures. Date and venue to be advised.	Lecture Topic 10 Principles of Disclosure <ul style="list-style-type: none"> • Introduction to Presentation of Financial Statements • Accounting Policies, Changes in Accounting Estimates and Errors • Events after Balance Sheet Date 	<i>Picker, Chapter 13</i> <i>Deegan 5e: Chapter 24</i> <i>Australian Standards: AASB 101 "Presentation of financial statements"</i> <i>AASB 108 "Accounting policies changes in accounting estimates and errors"</i> <i>AASB 110 "Events after the balance sheet date"</i>
Week 11 13 Oct. (MB)	Lecture Topic 11 Presentation of Financial Statements <ul style="list-style-type: none"> • Objectives of a balance sheet, an income statement and a statement of changes in owners' equity and their limitations • Applying the requirements for presentation of a balance sheet, an income statement and a statement of changes in owners' equity 	<i>Picker, Chapter 14</i> <i>Deegan 5e, Chapter 14 "Income Statement"</i> <i>AASB 101 "Presentation of financial statements"</i>

	Topics	Reading Materials
Week 12 20 Oct. (DM)	<p>Lecture Topic 12</p> <p>Guest Lecture (topic to be advised), and</p> <p>Segment Reporting</p> <ul style="list-style-type: none"> • Advantages & disadvantages of segment reporting • Introduction to AASB 8 • Defining an operating segment • Defining a reportable segment • Measurement of Segment Items • Disclosure requirements 	<p><i>Deegan 5e: Chapter 25</i></p> <p>AASB 8 “Operating Segment” effective from 1 January 2009 currently AASB 114 “Segment Reporting”</p> <p>NOTE: There is no tutorial covering segment reporting. The following are practice questions. Solutions will be posted after the last lecture in Week 12</p> <p><i>Deegan 5e Chapter 25, Review Questions 1, 2, 5, 7 and 14</i></p>

10. TUTORIAL PROGRAM

(Note: Please refer to Section 4.1 in the Course Outline for explanation of “Tutorial Questions” and “Practice Questions”.)

WEEK 1 (28 July - 1 August) – Review of Basic Financial Accounting Concepts

It is highly recommended that students read Kieso et al. 2008, Chapter 3 and prepare the following exercises and problems from Kieso et al. 2008 and Trotman & Gibbins PRIOR to attending their first tutorial in Week 1.

Reading and questions are posted on WebCT

Kieso, et al., 2008, Fundamentals of Intermediate Accounting, Chapter 3,

Tutorial Questions

- *Kieso et al. 2008, Chapter 3, P3.10*

Practice Questions

- *Kieso et al. 2008, Chapter 3, E3.19, P3.5, P3.9*
- *Trotman & Gibbins* : Refer to T&G textbook used in ACCT 1501 and ACCT 1511.
 - Chapter 7, Problem 7.8
 - Chapter 8, Problems 8.12 and 8.23
 - Chapter 11, Problem 11.7

WEEK 2 (4 August – 8 August) - Accounting for income tax

Tutorial Questions

Picker:

- Chapter 6, Problem 6.3

Practice Questions

Picker:

- Chapter 6, DQs 1, 4
- Chapter 6, Ex 6.6
- Chapter 6, Problem 6.1

WEEK 3 (11 August – 15 August) – CLASS TEST 1 – Lecture Topic Week 1 - (20 minutes)

In remaining time, tutorial will cover - Introduction to Consolidation

Tutorial Questions

Picker:

- Chapter 17, Problem 17.2 (**acquisition analysis, parts 1(a) and 1(b)**)

Practice Questions

Picker:

- Chapter 16, DQ 2
- Chapter 17, DQs 1, 3, 4, 5, 6
- Chapter 17, Problem 17.2 (**parts 2, 3 and 4**)
- Chapter 17, Problem 17.6

WEEK 4 (18 August – 22 August) - Consolidation: Intra-group transactions**Tutorial Questions**

Picker:

- Chapter 18, Problem 18.2

Practice Questions

Picker:

- Chapter 18, DQs 3 & 4
- Chapter 18, Problem 18.8

WEEK 5 (25 August – 29 August) – Consolidation: minority interests**Tutorial Questions**

Picker:

- Chapter 19, Problem 19.2 (Note: In the trial balance provided in the question the last figure of \$2400 in the “Dr” column of Kartaly Ltd should be against “Dividends Paid”)

Practice Questions

Picker:

- Chapter 19, DQs 2, 3
- Chapter 19, Problem 19.1

WEEK 6 (1 Sept. – 5 Sept.) – CLASS TEST 2 – Lecture Topics Weeks 2 and 3 (45 minutes)

WEEK 7 (8 Sept. to 12 Sept.) – Consolidation: Indirect ownership interests**Tutorial Questions**

Picker:

- Chapter 20, Ex 20.3 (Note that on page 845, third paragraph, “Medan Ltd” should read as “Tarutung Ltd”),

Practice Questions

Picker:

- Chapter 20, DQs 1, 3 (Assume A Ltd owns 80% of B Ltd and B Ltd owns 60% of C Ltd.)
- Chapter 20, Ex 20.4
- Chapter 20, Problem 20.5

WEEK 8(15 Sept. to 19 Sept.) - Accounting for Associates & Joint Ventures**Tutorial Questions**

- *Picker et al.*, Chapter 22, Ex. 22.1
- Joint Venture Multiple Choice Questions Listed below.

Practice Questions

- *Picker et al.*, Chapter 22, DQ 8
- *Deegan 5e* Chapter 33 Review Question 6, 13
- *Deegan 5e*, Chapter 34 Review Questions 2, 3 and 7

Answer the following questions. Show all workings.

1) On 30 June 2003 Dlog Ltd and Gold Ltd entered into a joint venture operation with each company equally sharing output and costs. This date is the balance date for both companies. Gold Ltd has never revalued its assets. Gold Ltd contributed a natural resource deposit with the following details:

	<i>Resource Deposit</i>
	\$
Carrying amount	1,000,000
Agreed value	3,000,000

Dlog Ltd contributed \$3,000,000 cash. Which one of the following journal entries should be recorded by Gold Ltd on 30 June 2003?

	Debit	Credit
	\$	\$
A	Cash in JV Resource deposit in JV Resource deposit Profit on sale of deposit	1,500,000 500,000 1,000,000 1,000,000
B	Cash Resource deposit	1,500,000 1,500,000
C	Cash Resource deposit Asset revaluation reserve	500,000 1,000,000 2,000,000
C	Cash Resource deposit Asset revaluation reserve	1,500,000 500,000 1,000,000
E	Cash Resource deposit Profit on sale of deposit Asset revaluation reserve	1,500,000 1,500,000 1,000,000 2,000,000

2) One venturer to a joint venture operation in which the 5 venturers share output and costs equally, contributed an asset with a carrying amount 0.8 times the agreed value of that asset. After processing journal entries to record initial contribution and assuming no asset revaluation, what would this venturer record in relation to this asset?

- An asset equal to one-fifth of the agreed value;
- A gain on sale equal to one-fifth of the difference between the agreed value and the carrying amount;
- A gain on sale equal to one quarter of the difference between the agreed value and the carrying amount;
- A gain on sale equal to four-fifths of the difference between the agreed value and the carrying amount
- None of the above.

Use the following information to answer questions 3-5.

On 30 June 2003, Special Ltd, Fried Ltd and Rice Ltd entered into a joint venture operation to produce pre-packaged take-away food. The companies equally share output and costs. At that date, the recorded amounts of each company's contributions were as follows:

	Special Ltd (Plant)	Fried Ltd (Equipment)	Rice Ltd (Cash)
Historical cost	\$1,900,000	\$2,300,000	-
Accumulated depreciation	\$200,000	\$1,300,000	-
Agreed value	\$1,500,000	\$1,500,000	\$1,500,000

Assume that agreed values equal recoverable amount and no revaluations have previously occurred.

3) Which one of the following combinations correctly indicates the effects on the total value of assets in the statement of financial position and statement of financial performance of Special Ltd, after processing journal entries to account for this arrangement?

	Statement of Financial Position	Statement of Financial Performance
A	No change	No change
B	Asset increase	Loss decrease
C	Asset decrease	Profit decrease
D	Asset increase	Loss increase
E	Asset decrease	Profit increase

4) In relation to Fried Ltd, which one of the following statements about the accounting effects relating to this joint venture on this date is correct? After processing relevant journal entries the:

- f. effect on income (statement of financial performance) would be zero;
- g. total value of assts allocated to the joint venture would be \$2,300,000;
- h. equipment allocated to the joint venture would be recorded at \$333,333;
- i. effect on the statement of financial performance would be a increase in profit before income tax of \$333,333;
- j. effect on the statement of financial performance would be a decrease in profit before income tax of \$500,000.

5) Which one of the following combinations correctly indicates the effects on the total value of assets in the statement of financial position and statement of financial performance of Rice Ltd, after processing journal entries to account for this arrangement?

	Statement of Financial Position	Statement of Financial Performance
A	No change	No change
B	Asset increase	No change
C	Asset decrease	Profit decrease
D	Asset increase	Loss increase
E	Asset decrease	Profit increase

WEEK 9 (22 September - 26 September) - Introduction to Corporate Financial Reporting

Tutorial Questions

- Discuss how the conceptual framework is used in financial reporting?
- *Picker et al.*, Chapter 2, Problem 2.1

Practice Questions

- List at least three categories of users of company financial reports and discuss how each user might utilise the information conveyed in financial reports.
- Explain the concept of a reporting entity under SAC 1. How does this compare with the definition of the company size test under the Corporations Act?
- What are the reporting requirements for a large proprietary company under the Corporations Act?
- *Picker et al.*, Chapter 1, Discussion Question 14
- *Picker et al.*, Chapter 2, Pr 2.7

Mid-session break (29 September – 6 October)

(Note: Monday, 6 October 2008 is a public holiday. Students enrolled in a Monday tutorial should attend another tutorial for this week. Check WebCT Vista for a list of tutorial schedule in ACCT2542.)

WEEK 10 (7 October – 10 October) – Additional Disclosure - Earnings per Share

Tutorial Questions

- *Deegan*, Chapter 27, Review Questions 9 and 14
- If an entity has both convertible preference shares and convertible notes outstanding at year-end paying the same amount of cash payment and convertible to equal numbers of ordinary shares, which security will cause the greater reduction in diluted EPS when converted and why?

Practice Questions

- *Deegan*, Chapter 27, Review Questions 7, 10 and 13

WEEK 11 (13 October – 17 October) – CLASS TEST 3 Lecture Topic Week 9 – (20 minutes)

In remaining time, tutorial will cover - Principles of Disclosure

Tutorial Questions

- *Picker et al.*, Chapter 13, Exercises 13-5 and 13-7

Practice Questions

- *Picker et al.*, Chapter 13, Discussion Questions 2 and 3
- *Picker et al.*, Chapter 13, Exercise 13-6
- *Deegan*, Chapter 24, Challenging Question 6

WEEK12 (20 October – 24 October) - Presentation of Financial Statements

Tutorial Questions

- *Picker et al.*, Chapter 14, Exercises 14-1, 14-3 and 14-8

Practice Questions

- *Picker et al.*, Chapter 14, Exercises 14-2, 14-4 and 14-7
- *Picker et al.*, Chapter 14, Problem 14.7
