THE UNIVERSITY OF NEW SOUTH WALES

SCHOOL OF ACCOUNTING

ACCT 1511 ACCOUNTING AND FINANCIAL MANAGEMENT 1B

Course Outline

Session 1, 2002

Contents

1. OVERVIEW OF FIRST YEAR COURSES IN ACCOUNTING AND FINANCIAL MANAGEMENT

Accounting and Financial Management 1A and 1B is an integrated programme of study designed to give students an understanding of the ways in which financial information is generated within organisations and the uses for this information.

- Accounting and Financial Management 1A (AFM1A) is concerned with the analysis and design of a financial accounting system which reflects the activities of an entity in the economic and legal environment, and attempts to meet the information needs of parties in the present institutional and regulatory environment. The assumptions and choices made in the design of such an accounting information system are explored.

- Accounting and Financial Management 1B (AFM1B) builds on this introductory knowledge by showing ways in which accounting information systems are expanded to accommodate more complex events and the provision of additional reports. This course also considers analysis of financial statements by users as well as the use of accounting information within the entity.

2. COURSE OBJECTIVES

- To further develop a familiarity with company financial reporting and the application of rules governing current corporate accounting practice.
- To explore issues and controversies associated with current corporate accounting practice, including an understanding of the choices available in preparing financial statements and the implications thereof for accountants and other financial statement users.
- To understand the role and implications of accounting in contemporary business and commercial environments as well as the uses of accounting information in capital markets.
- To develop skills in the application of techniques used to conduct an analysis of financial statements.
- To further develop communication skills necessary for a successful commerce related career through the presentation and defence (in written and verbal forms) of the results of analysis and investigation.
- To develop a basic understanding of the information needed for management decision making.

3. REFERENCES

You need to buy:

- The textbook for this course: K. Trotman & M. Gibbins, 1999, ***Financial Accounting: An Integrated Approach*** (including Management Accounting Supplement), Nelson Thomson Learning.
    - copies of the textbook are held in the library's open reserve.

- ***Course Resource Kit for Accounting and Financial Management 1B***, School of Accounting, UNSW, 2002.
    - this Kit has been compiled by staff involved in this course and can be purchased from the UNSW Bookshop.
    - it contains
        - a booklet on each week's topic which comprise of syllabus, tutorial materials and lecture notes.
        - additional reading material for specific lecture topics, where applicable.
        - a specimen mid-session paper of medium level difficulty.

You do not need to buy these books. These are the suggested books you may wish to consult.

- R. Garrison and E Noreen, 2000, ***Managerial Accounting***, 9th ed., McGraw-Hill.

- S. Henderson and G. Peirson, 2000, ***Issues in Financial Accounting***, 9th ed., Longman.

- J. Hoggett and L. Edwards, 2000, ***Accounting in Australia***, 4rd ed., Wiley.

4. TEACHING APPROACHES

4.1 Lectures:

- There are two 1-hour lectures each week.
- The purpose of lectures is to introduce new topics by focusing on their key concepts and issues.
- Students are expected to have read the reading material for each lecture prior to attending the lecture.
- Handouts relating to the course, as well as any course announcements (in writing) will generally be distributed in tutorials. Handouts and announcements will be displayed on the School of Accounting notice board located on level 1 of the Quad building, and will also be made available from the course information trays next to Quad Rooms 3114, 3120 and 3127.

- Please ensure mobile phones are switched off before entering every lecture. To ensure that lectures are not disrupted unnecessarily, mobile phones that ring during lectures will be confiscated.

4.2 Tutorials:

- There is one 1.5-hour tutorial each week.
- Tutorials commence in Week 2 (beginning 11 March 2002).
- Key concepts and issues introduced in lectures will be discussed in greater detail in tutorials. However, due to limitations of time some material introduced in lectures will not be followed up in tutorials.
- Tutorials will usually involve application of problem solving skills introduced in the lectures of the previous week, together with a review and discussion of student answers and any difficulties associated with the assigned exercises. Tutorials provide the opportunity for you to discuss problems you are having with the course material.
- Due to space limitations, please attend the tutorial in which you are enrolled. However, if you are unable to attend your class due to illness or other extenuating circumstances, please attend another class to ensure that you do not miss the material covered. Get permission from the tutor in advance before attending his/her class.
- The Tutorial Program relating to each topic is included in your Course Resource Kit. The tutorial program has three components:

  (1) Preparation Questions:
  Students are expected to have attempted these questions and to have reviewed the answers (supplied on the Course Web Page a week beforehand) before attending their tutorial. Students will be expected to be aware of the issues developed through these questions.

  (2) Homework Questions:
  Students are expected to have attempted these questions before attending their tutorial. These questions focus on key issues relating to the topic and build on the knowledge gained through the Tutorial Preparation Questions. Written answers to these questions must be brought to the tutorial in an appropriate form (i.e. logically structured, numbered, neat and tidy). The answers need not be 100% correct. If you did not understand an aspect of the question, you must know where you encountered the problem so as to permit the asking of appropriate questions.

  (3) Additional Questions:
  Additional questions will be distributed to students to reinforce the key concepts for each topic and to thereby assist in developing a satisfactory level of knowledge relating to each topic.

  At the end of each week, answers to all numerically based tutorial questions will be posted on the AFM1B Web site. Although discussion questions are included in the tutorial program to encourage critical thinking and the development of analytical skills, the answers to these questions are often subjective in nature. Therefore, not all solutions to these discussion questions will be provided on the Course Web Page.

5. STUDENT ASSESSMENT AND RESPONSIBILITIES

5.1 Assessment Components:

Assessment tasks in AFM1B serve to provide feedback regarding your performance in the course to date, and to provide a mechanism by which you can illustrate to us your progress towards achieving the learning objectives of AFM1B.

The final composite mark of 100 will be determined as follows:

Homework Preparation	10%
Writing and Analysis Task:	
• group assignment	10%
Communication Skills Task:	
• group presentation of assignment findings	5%
Mid-Session Exam	25%
Final Exam	50%
Total	100%

In order to ensure that you have every opportunity to illustrate your knowledge of the course material, all assessment tasks are considered compulsory. Failure to complete an assessment task will result in you receiving an "Unsatisfactory Fail" (UF) grade for this course.

Each of the assessment tasks are described below:

5.1.1 Homework Preparation – (10%)

Your tutor will choose three random weeks to review your written answers to the assigned tutorial homework questions (6%) and will assess you on your tutorial participation throughout the semester (4%).

5.1.2 Writing and Analysis Task – Group Assignment – (10%)

- The assignment relates primarily to corporate governance issues.
- Please read the requirements for this task carefully. See page 7.

5.1.3 Communications Skills Task – Group Presentation of Assignment - (5%)

- Please read the requirements for this task carefully. See page 9.

ASSIGNMENT TASKS

(A) GROUP WRITING & ANALYSIS TASK:

Method:	• To be completed in a group of 3 – 5 students. You will be allocated to a group in the first tutorial.
Due date:	• Week 6 (Beginning 15 April, 2002)
Submission of assignment:	• To your tutor during tutorial in Week 6. • Assignments sent by fax or e-mail will not be accepted. • Every student must jointly submit an assignment.
Late penalties:	• Late assignments will be accepted. • Two (2) marks out of the total ten (10) marks for each day the assignment is late. Weekends count as two days. • Students who have suffered some form of misadventure in the days preceding the submission of the assignment may discuss the **possibility** of an extension with Kar-Ming, Quad 3114.
Contribution:	• Ten (10) marks towards your final grade.
Format of report:	• The assignment *MUST* be typed using font size 12, Times New Roman, double spacing and justify for paragraphs. Number the pages on the bottom right-hand side of the page. • Include the cover page that will be provided by your tutor. The tutor will sign the lower portion of the cover page and return it to your group as evidence of assignment submission. • Do not submit the assignment in a folder or with a clear plastic/coloured cover.

(A) GROUP WRITING & ANALYSIS TASK (CONT.):

Guidance:

- Marks awarded will be based on these points (but are not restricted to):
  - compliance with the rules stated in the previous page
  - a thoughtful review of board composition
  - comparison of the choice of corporate governance disclosures should not be limited to merely listing the changes in the 2001 Corporate Governance statement
  - restricting the report to 1300 words (max.) (excluding appendices). You will therefore need to be concise and think carefully about what information should be put in your report. If appropriate, tables and diagrams may be placed in an appendix and referred to in the body of the text
  - a well-structured report which requires an introduction and conclusion and, where relevant, headings
  - English expression, grammar and spelling
  - others

Required:

Recent corporate failures have highlighted the need for responsible corporate governance practices in the oversight of publicly-owned corporations. Write a report on the corporate governance practices disclosed in 1997 and 2001 Annual Reports for Woolworths Ltd.

In your report:

(a) Review the composition of the Board of Directors for Woolworths Ltd. as disclosed in the Annual Reports for year-end 2001. In your review discuss whether the chairperson should be a non-executive director.

(b) Compare the Corporate Governance disclosures in the year-end 1997 and 2001 Annual Reports. Refer to the Appendix 4A of the ASX Listing Rules – List of Corporate Governance Matters (attached at the end of lecture notes in Week 1), and evaluate the changes in the corporate governance disclosures for year-end 2001.

(c) Outline the roles of auditors, the board of directors and management in the financial reporting process. Provide evidence from Woolworths Ltd.'s Annual Report to illustrate your answer.

Go to Woolworths's website (see below) to obtain Woolworths Ltd.'s Annual Reports for year-ends 1997 and 2001. You do not need to download or print the whole Annual Report – just the relevant pages to answer the questions. **http://www.woolworthslimited.com.au/shareholdercentre/annual_archive/annualreports.asp**

(B) GROUP COMMUNICATION SKILLS TASK (I.E., PRESENTATION):

Method:	• To be completed in a group of 3 – 5 students. You will be allocated to a group in the first tutorial. • Each group member must participate equally in the presentation. • Time limit – 10 minutes to a group.
Due date:	• Week 9 (Beginning 6 May, 2002)
Presentation:	• Present a ten (10) minute (or less) summary of the *KEY FINDINGS* of your "Writing and analysis task" in your normal tutorial.
Late penalties:	• Zero (0) mark out of the total five (5) marks if your group fails to present on the due day.
Contribution:	• Five (5) marks towards your final grade.
Guidance:	• Marks awarded will be based on these points (but are not restricted to): - presentation not exceeding 10 minutes - equal participation from all group members - interesting/innovative/original presentation - minimum reading from notes - eye-contact with audience - readable font-size on overheads - voice projection - tutor's judgment of the group's overall effort and preparation - others

5.1.4 Mid-Session Exam – (25%)

- The mid-session exam will be held from 2.00 pm to 4.00 pm on Thursday, 2nd May, 2002 (Week 8) at UNISEARCH HOUSE on Anzac Parade. Please be at the venue at least ten minutes before the starting time.
- The mid-session test will include topics covered in lectures and readings up to and including Week 6 and tutorials up to and including Week 7.
- The test will comprise 50 multiple choice questions to be completed in 90 minutes.
- Negative marking will not apply.
- A specimen test (with solutions) of medium level difficulty is provided in the Course Resource Kit.
- Students who are unable to attend the mid-session test for medical reasons or other extenuating circumstances are required to apply for Special Consideration (see below on how to apply) to have their final examination weighted by an additional 25%. There is no supplementary sitting for the mid-session exam.

5.1.5 Final Exam – (50%)

The final exam will be held during the formal examination period. Further details of this exam will be provided towards the end of the session.

Please read:

- *Special Consideration:* Special consideration in the determination of your results may be granted if your performance in a course, either during session or in an examination, has been adversely affected by sickness or other circumstances.
- All applications for special consideration must be made through **NewSouthQ** and NOT through the lecturer-in-charge, course administrator or your tutor. Applications must be made within **three working days** after the examination.
- *Supplementary Exam:* A supplementary examination will only be offered in this course to students who have been prevented from taking an **end of session** examination, or to students whose **final examination** performance has been affected by serious illness or other extraordinary circumstances that can be documented. Performance during the session must be at a satisfactory level for an application to be successful.
- Students should be aware that lodging a request for special consideration **does not guarantee** the opportunity to sit the supplementary exam.
- Candidates who are granted a supplementary exam for Accounting and Financial Management 1B will be will be advised at least 7 days prior to the exam. All communications from the University will be sent to **either an email address or to the postal address** except when arrangements are otherwise made. It is the responsibility of students who apply for special consideration to be available to sit the exam on this day. Holiday plans are not sufficient reason for unavailability. No other opportunities to sit the supplementary exam will be offered.

- *Appeal to Check Marks or Re-mark:* All applications must be made through **NewSouthQ** and NOT through the lecturer-in-charge, course administrator or your tutor. Applications must be made within **fifteen working days** after the marks have been released.
- Please refer to the 2002 UNSW Undergraduate Handbook for further information.

5.2 Workload Expectations:

- The expected workload for undergraduate students is 10 hours per week per course. Some students find that they spend more than 10 hours per week when preparing for major assignments and exams. It is important to maintain a steady study schedule throughout the session. As a guideline, each week you will spend:

  - 2 hours in lectures
  - 1.5 hours in tutorials
  - 2 hours reading the reference material
  - 3 hours completing the Tutorial Preparation Questions and Tutorial Homework Questions
  - the remaining 1.5 hours could be allocated to revision and/or assignment preparation.

5.3 Passing the Course:

In order to pass this course, the following criteria must be satisfied:

1. Achieve a composite score of 50 or higher (out of 100); <u>and</u>
2. Satisfactorily complete all assessment tasks (or submit appropriate documentation relating to your failure to complete a task to the Lecturer-in-Charge); <u>and</u>
3. <u>Achieve a satisfactory grade in the final examination</u>

Note: A "pass conceded" may only be granted by the Faculty of Commerce and Economics Assessment Committee, and NOT the Head of School or the Lecturer-in-Charge.

6. TEACHING STAFF

Teaching Staff	*Room*	*Phone*
Kar-Ming Chong (Lecturer-in-Charge)	Quad 3114	9385-5916
Email: KM.Chong@unsw.edu.au		
Helen Kang (Lecturer)	Quad 3127	9385-5824
Email: Helen.Kang@unsw.edu.au		
Linda Chang (Tutor)	Quad 3120	9385-5817
Email: Linda.Chang@unsw.edu.au		
Gordon Howitt (PASS Scheme Co-ordinator)	Quad 3119	9385-5911
Email: G.Howitt@unsw.edu.au		

7. OTHER RESOURCES

7.1 Staff Consultation

- Members of staff teaching AFM1B will be available for consultation at specified hours (during teaching weeks only) or by appointment. Tentative consultation hours will be displayed on each staff member's door from the first day of session. A firm schedule of consultation times will be collated and distributed to students during tutorials in week three of session.
- Problems should be directed at first instance to your tutor, either during class, or in the tutor's consultation time (or at a mutually agreed appointment date). Apart from arrangements with his/her own tutor, students are free to approach other staff during their consultation times.
- Please note that first preference will be given to students attending the staff member's office during nominated consultation times, with second preference given to any phone calls during consultation times, to be followed by e-mail inquiries.

7.2 Resources Available for Special Difficulties:

- School of Accounting Office, Room 3109 Quadrangle Building. Phone 9385 5829.
- Student Counselling – Counsellors offer assistance in planning, decision making, problem solving, social and emotional development. The Counselling Service is located on the 2nd floor, Quadrangle Building. Phone 9385 5418.
- Faculty of Commerce and Economics – The Administration Officer of the Faculty, located in the Faculty's Student Centre, John Goodsell Building, room G19 (Phone 9385-3195). It handles inquiries requiring action at a Faculty level.

- The Learning Centre is a free and confidential service offering learning and language assistance to students at UNSW. Assistance is provided through workshops, discipline-based courses and individual consultations. The Learning Centre is located at Room 231, Level 2, Library Building (Enter off Library Lawn Lobby). Phone 9385 3890.
- The Education Development Unit (EDU) - Additional learning and language support is available from the EDU in the Faculty. The EDU provides individual and small group consultations, academic skill workshops, discipline-specific support workshops and a range of study skills resource materials and handouts. Students requiring advice and assistance with assignment writing, academic reading and note-taking, oral presentation, study skills or other learning needs are advised to drop in or contact the learning advisers in the Unit which is located in Room 3054, Level 3, Quadrangle Building. This service is free and available only to students in this Faculty. Students are encouraged to take full advantage of this extra support. Contact details of the learning advisers are as follows:

EDU Staff	*Telephone*	*E-mail*
Colina Mason	93856163	cm.mason@unsw.edu.au
Carolyn Cousins	93856087	c.cousins@unsw.edu.au

7.3 Course Web Page

This course uses WebCT and you can log on at http://www.webct.unsw.edu.au

Information to be provided at this address includes:
- Course outline
- Complete lecture slides
- Tutorial Preparation Questions and Tutorial Homework Questions
- Brief solutions to Tutorial Questions
- Assignment details
- Specimen mid-session exam
- Contact and consultation details of staff

7.4 Peer Assistance Support Scheme (PASS)

- The Peer Assistance Support Scheme (PASS) operating in AFM1A and AFM1B involves second and third year students, who have done well in their previous studies, helping groups of new students to succeed with their studies and adjust to life at university.
- This scheme which also operated in last year will operate again in Session 1, 2002.
- This is a **voluntary** scheme and academic staff responsible for assessment will not be made aware of whether or not you wish to participate.
- PASS will give you an opportunity to discuss specific questions and concepts that you encountered in tutorials and lectures with a group of fellow students and two PASS leaders. You will also have an opportunity to discuss more general areas of

concern for first year students. Past experience suggests that the scheme has had a positive effect on students' grades. It can also lead to improved progress in other subjects by enhancing your skills.

- It is important to note that PASS sessions are **not additional** tutorials. Rather, they represent an opportunity to discuss issues of concern in an environment different from that of lectures and tutorials.
- Involvement in PASS requires a commitment on your behalf to attend your group each week. That is, you cannot simply attend when it suits you. Nor is it possible for you to move between groups. Therefore, your selection of a group should be made after considering your other commitments.
- The scheme will commence in Week 3 of session.
- A separate sheet outlining the way in which you can sign up for a PASS group will be distributed in the first lecture.

8. SUMMARY OF LECTURE TOPICS AND REQUIRED READINGS

Week *Beginning*	Topic	Lecturer	Readings
1 *4 March*	• Introduction & Overview • Financial Reporting & Corporate Governance	KM Chong	T&G, Chp. 4 (revision) See student hand-out
2 *11 March*	• Assets & Liabilities: Recognition & Disclosure • Revenues & Expenses: Recognition & Disclosure	Helen Kang	T&G, Chps. 9 (esp. 9.6 & 9.7) and 10 (excluding Appendix) See student hand-out
3 *18 March*	• Liabilities & Shareholders' Equity	KM Chong	T&G, Chp. 11 (11.1, 11.3 – 11.13)
4 *25 March*	• Intercorporate Investments & Corporate Groups • Mid-session review	KM Chong	T&G, Chp. 11 (section 11.2)
1-7 April	MID-SESSION BREAK		
5 *8 April*	• Cash Flow Statements	KM Chong	T&G, Chp. 12
6 *15 April*	• Cash Flow Statements	KM Chong	T&G, Chp. 12
	Hand-in assignment in tutorials		
7 *22 April*	• Financial Statement Analysis (1 lecture only due to Anzac Day on the 25th April)	Helen Kang	T&G, Chps. 13 (pp. 518-530) and 14 See student hand-out
8 *29 April*	MID-SESSION EXAM (Thursday, 2/5/02, 2pm at Unisearch House) No lectures or tutorials this week		
9 *6 May*	• Financial Statement Analysis	Helen Kang	T&G, Chps. 13 (pp. 518-530) and 14 Whittred (2001)
	Group presentation in tutorials		
10 *13 May*	• Role of Accounting Information • Accounting Policy Choice	Helen Kang	T&G, Chps. 13 (pp. 518-530) and 15
11 *20 May*	• Introduction to Management Accounting, Cost Concepts & Cost Classifications • Cost Behaviour & CVP Analysis	Helen Kang	T&G (Supplement), Chp. 16 Garrison & Noreen (Chapter 1, 2000)
12 *27 May*	• Introduction to Costing	Helen Kang	T&G (Supplement), Chp. 17
13 *3 June*	• Budgeting for Planning & Control	Helen Kang	T&G (Supplement), Chp. 18
14 *10 June*	• Course in Perspective	KM Chong	Revision
15-20 June	STUDY PERIOD		
21 June-9 July	EXAM PERIOD		