THE UNIVERSITY OF
NEW SOUTH WALES

SCHOOL OF ACCOUNTING

ACCT 1511 ACCOUNTING AND FINANCIAL
MANAGEMENT 1B

Course Outline

Session 2, 2001

Contents:

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

Accounting and Financial Management 1A and 1B together form 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/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.

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2. COURSE OBJECTIVES - ACCOUNTING AND FINANCIAL MANAGEMENT 1B

Objectives of AFM1B are that students will:

- Further develop a familiarity with company financial reporting and the application of rules governing current corporate accounting practice.
- 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.
- Understand the role and implications of accounting in contemporary business and commercial environments as well as the uses of accounting information in capital markets.
- Develop skills in the application of techniques used to conduct an analysis of financial statements.
- Further develop communication skills necessary for a successful commerce related career through the presentation and defence (both in written and verbal form) of the results of analysis and investigation.
- Develop a basic understanding of the information needed for management decision making.

3. PRESCRIBED REFERENCES

Textbook:

K. Trotman & M. Gibbins, Financial Accounting: An Integrated Approach, (Including Management Accounting Supplement) Nelson, 1998

Note: Copies of the prescribed textbook are held in open reserve in the library

Other:

Course Resource Kit for Accounting and Financial Management 1B, School of Accounting, UNSW, 2001*

*A comprehensive Course Resource Kit has been compiled by staff involved in this course and can be purchased from the **UNSW Bookshop.** The Course Resource Kit contains:

- A booklet on each week's topic containing:
  - Syllabus
  - Tutorial Materials
  - Lecture Notes
- Additional reading material for specific lecture topics, where applicable.
- A specimen mid-session paper of the style and difficulty you should expect in this course.

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4. COURSE ADMINISTRATION AND TEACHING APPROACHES

Students are required to attend two 1 hour lectures and one 1.5 hour tutorial each week.

Please note that topics covered in AFM1B form an integrated portfolio of knowledge. Each week's work draws and builds upon issues raised in previous weeks (and from AFM1A). Therefore, failing to keep up to date with the work in this course will place you at a significant disadvantage.

4.1 Lectures:

- The purpose of lectures is to introduce each new topic. (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).
- 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 between rooms 3091 and 3092 in the Quad building).
- **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:

- Tutorials commence in Week 2.
- 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.
- Due to space limitations, you are requested to respect your fellow students' learning environment and to attend the tutorial in which you are enrolled. However, if you are unable to attend your class due to illness or other extenuating circumstances, you are advised to attend another class to ensure that you do not miss the material covered.
- The **Tutorial Program** relating to each topic is included in your Course Resource Kit.

  The tutorials are provided for your benefit. They give you the opportunity to discuss problems you are having with the course material. If you do not attempt the work in advance, an important learning opportunity will have been lost.

  Please note that the tutorial program has three specific components:

  1. Preparation Questions:
     Students are expected to have **attempted** these questions **and to have reviewed** the answers (supplied on the Course Web Page) 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). This does not, however, mean that the answers must 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. Attending the tutorial with a blank page will not only make it difficult to achieve the level of understanding necessary to gain a passing grade in the course, it will also lead to an unsatisfactory tutorial mark (refer section 5.1 on assessment below).
  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 to 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 two purposes:

1. to provide feedback to you regarding your performance in the course to date; and
2. 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 Results	5
Mid-Session Test	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%)

This component of your assessment focuses on your level of tutorial preparation and will be determined after reviewing your written answers to assigned homework questions.

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

- **Note:** During the first tutorial each student will be **assigned to a group**. This group will work together to complete the Writing and Analysis Task Group Assignment (as well as the Communication Skills Task Group Presentation).
- The Writing and Analysis Task Group Assignment is based on the 1996 and 2000 Annual Reports of Woolworths Limited. Please note that the 1996 Annual Report for Woolworths Limited is reproduced in Appendix 2 of your textbook. A copy of the 2000 Annual Report will be provided to each group during your second tutorial.
- The assignment will involve a comparison of the two sets of annual reports to identify changes in the corporate governance disclosures made by Woolworths limited. The assignment will draw on several topics covered throughout the course, although it primarily relates to corporate governance issues.

***Submission of Written Group Assignments*:**

- **Due date** for submission of this assignment is during **your normal tutorial in Week 11** (commencing 8 October 2001). Please note that it will not be possible to submit your assignment by e-mail or facsimile.
- Please note that **every student must jointly submit an assignment**. Under no circumstances will the assessment allocated to the assignment be apportioned to other components of the course assessment.
- **Late assignment penalty**. Late assignments will be accepted, however a penalty of two marks out of ten will apply for each day that the assignment is late (including weekends which count as two days). For example, if your tutorial is on Thursday and you hand your assignment in on the Monday following the submission date, your mark will be determined and then six marks will be deducted. It is therefore important that you plan your time so that you are in a position to submit your assignment on time.
- 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 Helen Kang, Quad 3127**.

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

During the tutorial in **Week 11** (commencing 8 October 2001) each group will be allocated 10 minutes to present the key findings from their Writing and Analysis Task.
Note:

- the time limit will be strictly enforced;
- all members of the group are to participate equally in this presentation;
- please make the presentation as interesting for your fellow tutorial members as possible (use your imagination, be creative!!)

5.1.4 Mid-Session Test – (25%)

- The mid-session test will be held between 6.30 pm and 8.30 pm on **Thursday 13 September, 2001 (week 8)**
- 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) 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 to have their final examination weighted by an additional 25%.

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.

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 the Registrar's Office** (Chancellery) and **NOT** through the lecturer-in-charge, course administrator or your tutor. Special consideration forms and details of required documentation are available from the Student Centre in the Chancellery.
- Applications (accompanied by appropriate documentation) should be made as soon as possible, but within seven days after the examination.
- Students should be aware that lodgement of **a request for special consideration does not guarantee the granting of a supplementary exam**.

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. If a student's performance during session is unsatisfactory, or if insufficient documentation is available to support the application, it is unlikely that a supplementary exam will be offered. (see the 2001 *Faculty of Commerce and Economics Handbook*).
- As noted above, the lodging an application for special consideration does not necessarily guarantee that you will be granted 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. 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.

5.2 Workload Expectations:

- The expected workload for undergraduate students is **10 hours per week per course**. This includes teaching hours and private study time to revise notes, read reference material, and research and prepare for assignments and tutorials. Many students find that they spend more time than this when preparing for major assignments and exams. However, 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
  - 2 hours completing the Tutorial Preparation Questions
  - 1 hour completing the Tutorial Homework Questions

The remaining 1.5 hours could be allocated to revision and 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>**

<u>Note</u> that 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.

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6. TEACHING STAFF

<u>Lecturers</u>	Room	Phone
Lynn Barkess (<u>Lecturer-in-Charge)</u>	Quad 3096	9385-5813
Email L.Barkess@unsw.edu.au		
Kar Ming Chong	Quad 3114	9385-5916
Email KM.Chong@unsw.edu.au		
Neil Fargher	Quad 3105	9385-5809
Email N.Fargher@unsw.edu.au		
Michael Pennisi	Quad 3123	9385-5806
Email M.Pennisi@unsw.edu.au		
<u>PASS Scheme Co-ordinator</u>		
Gordon Howitt	Quad 3119	9385-5911

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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.

- Students may use email facilities to consult with staff, however, email messages will be responded to when time permits. Please note that preference will be given to students attending the staff member's office during nominated consultation times.
- Similarly, students attending the staff member's office during these nominated times will receive preference over any phone calls during consultation times.

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 (telephone number 9385-3195) 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 Education Development Unit (EDU) in the Faculty. The EDU provides individual and small group consultations, academic skills 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. **Contact details of the learning advisers are as follows:**
- Colina Mason Tel: 93856163
  Email: cm.mason@unsw.edu.au
- Carolyn Cousins Tel: 93856087
  Email: c.cousins@unsw.edu.au

The service is free and available only to students in this Faculty. Students are encouraged to take full advantage of this extra support.

7.3 Additional Reference Material

Note: You are not required to purchase these. They are listed only as sources you might wish to consult.

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

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

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

7.4 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:

- This course outline
- All lecture slides
- Tutorial Preparation Questions and Answers
- Tutorial Homework Questions
- Brief Solutions to Tutorial Questions and Additional Tutorial Questions (after the week of the tutorial)
- Assignment details
- Specimen Mid-Session Exam
- Contact and Consultation details for staff

7.5 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 2, 2001.
- This is a <u>voluntary</u> 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 <u>not</u> 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 (if you are interested) 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 1 (COMMENCING 23 JULY, 2001)

Lecture 1:	**Lecturer:**	Lynn Barkess
	Topic:	Introduction and Overview
Lecture 2:	**Lecturer:**	Lynn Barkess
	Topic:	Financial Reporting and Corporate Governance Responsibilities ASX Listing Rules - List of Corporate Governance Matters. Ernst & Young, 1998, What is Corporate Governance?

WEEK 2 (COMMENCING 30 JULY, 2001)

Lecture 3:	**Lecturer:**	Neil Fargher
	Topic:	Financial Reporting Principles
	Reading:	Trotman and Gibbins; Chapter 9 (9.6 and 9.7)
Lecture 4:	**Lecturer:**	Neil Fargher
	Topic:	Revenues and Expenses: Recognition and Disclosure
	Reading:	Trotman and Gibbins; Chapter 10 (Excluding Appendix)

WEEK 3 (COMMENCING 6 AUGUST, 2001)

Lectures 5 & 6	**Lecturer:**	Neil Fargher
	Topic:	Completing the Balance Sheet 1: Liabilities and Shareholders' Equity
	Reading:	Trotman and Gibbins; Chapter 11 (11.1;11.3 to 11.13)

WEEK 4 (COMMENCING 13 AUGUST, 2001)

Lecture 7:	**Lecturer:**	Kar-Ming Chong
	Topic:	Completing the Balance Sheet 2: Intercorporate Investments and Corporate Groups
	Reading:	Trotman and Gibbins; Chapter 11 (11.2)
Lecture 8:	**Lecturer:**	Kar-Ming Chong
	Topic:	The Role of Accounting Information
	Reading:	Trotman and Gibbins: Chapter 13 (13.1 to 13.6)

WEEK 5 (COMMENCING 20 AUGUST, 2001)

Lectures 9 & 10:	**Lecturer:**	Kar-Ming Chong
	Topic:	Cash Flow Statements
	Reading:	Trotman and Gibbins; Chapter 12

WEEK 6 (COMMENCING 27 AUGUST, 2001)

Lectures 11 & 12	**Lecturer:**	Kar-Ming Chong
	Topic:	Cash Flow Statements (cont.)
	Reading:	Trotman and Gibbins; Chapter 12

WEEK7 (COMMENCING 3 SEPTEMBER, 2001)

Lecture 13:	**Lecturer:**	Neil Fargher
	Topic:	Accounting Policy Choice
	Reading:	Trotman and Gibbins; Chapter 15
Lecture 14:	**Lecturer:**	Neil Fargher
	Topic:	Mid-Session Review

WEEK 8 (COMMENCING 17 SEPTEMBER, 2001)

Note: The mid-session test for this course will be held on Thursday this week. In accordance with the Faculty of Commerce and Economics Collaborative Initiatives for First Year there will be no Lectures or Tutorials this week.

WEEK 9 (COMMENCING 10 SEPTEMBER, 2001)

Lectures 15 & 16:	**Lecturer:**	Michael Pennisi
	Topic:	Financial Statement Analysis
	Reading:	Trotman and Gibbins; Chapter 15

RECESS (ONE WEEK COMMENCING 24 SEPTEMBER)

WEEK 10 (COMMENCING 1 OCTOBER, 2001)

Lectures 17:	**Lecturer:**	Michael Pennisi
	Topic:	Financial Statement Analysis (cont.)
Lectures 18 :	**Lecturer:**	Michael Pennisi
	Topic:	Introduction to Management Accounting
	Reading:	Trotman and Gibbins Supplement; Chapter 16; Garrison and Noreen, Chapter 1. This reference material is included in the Course Resource Kit.

WEEK 11 (COMMENCING 8 OCTOBER, 2001)

Lectures 19 & 20:	**Lecturer:**	Michael Pennisi
	Topic:	Costs Concepts and Cost Classifications, Cost Behaviour and CVP Analysis
	Reading:	Trotman and Gibbins Supplement; Chapter 16

WEEK 12 (COMMENCING 15 OCTOBER, 2001)

Lectures 21 & 22:	**Lecturer:**	Michael Pennisi
	Topic:	Introduction to Costing
	Reading:	Trotman and Gibbins Supplement; Chapter 17

WEEK 13 (COMMENCING 22 OCTOBER, 2001)

Lectures 23 & 24:	**Lecturer:**	Lynn Barkess
	Topic:	Budgeting for Planning and Control
	Reading:	Trotman and Gibbins Supplement; Chapter 18

WEEK 14 (COMMENCING 29 OCTOBER, 2001)

Lecture 25:	**Lecturer:**	Lynn Barkess
	Topic:	Course in Perspective

There will be no Lecture 26