

UNIVERSITY OF NEW SOUTH WALES  
SCHOOL OF ACCOUNTING

ACCT 9003 Introduction to Accounting Principles  
Session 1, 2001

COURSE OUTLINE

### Introduction

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

### Objectives

The objectives of this subject are to introduce you to accounting and provide both a practical and conceptual understanding of its basic principles. The fundamentals of the double entry recording procedures provides a basis for the interpretation of financial reports but an in-depth understanding of the double entry system of accounting is not required in this course and.

And in it is an essential part of this course that you read the financial press. Accordingly, you are urged to read the Business Section of the morning press (SMH or Australian).

Upon the completion of the subject it is expected that student's will be able to:

- ◆ describe the purpose and the use of the major external financial statements (balance sheet, profit and loss, and cash flow statement)
- ◆ identify the differences between cash accounting and accrual accounting
- ◆ interpret balance sheets, profit and loss statements, and cash flow statements
- ◆ understand financial ratios to assist in the analysis of financial statements
- ◆ explain that the limitations of ratio analysis
- ◆ an understanding of the accounting policy choices have upon the preparation of external financial statements
- ◆ understand the differences between financial and management accounting
- ◆ understand management accounting information to apply cost-volume-profit analysis to plan decisions, identify what drives costs in an organisation
- ◆ managing the organisation – other concepts

### COURSE STRUCTURE

This course consists of a two-hour lecture per week. The lecture is held on Mondays from 5pm to 7 pm in Physics Theatre.

Questions will be set from the text each week. These questions will not be marked, however it is important that student's complete the set questions every week. An understanding of the material in this course is best gained from attendance at lectures and completing the work as set.

Students are expected to be prompt in their attendance at lectures, as late arrival is distracting and disruptive to the class. *Please note that the University requires you to attend at least 80 per cent of classes.*

## ASSESSMENT

Mid-session test	25%
Group assignment	30%
Final exam	45%
<b>TOTAL</b>	<b>100%</b>

### **Mid-session test (25%)**

A mid-session test will be held during the lecture of Week 7 (week commencing 9 April 2001). Students will be advised of the location for the test at a later date. The mid-session test will cover all work from weeks 1-6. The test will be multiple choice.

### **Group Assignment (30%)**

The assignment for this subject will require student's to examine a set of financial statements for a company. The assignments will be provided to you by Week 4. Assignments are to be handed in during the lecture of Week 11. Failure to do so will attract a 10 per cent per day penalty. The lecturer in charge in exceptional circumstances will only grant extensions. The onus is on students to plan their workloads to meet subject deadlines.

### **Final exam (45%)**

The final examinations will be held during the last week of session. The location of this exam will be provided to you at a later date.

### **Seminar solutions**

Suggested solutions to the set questions will be available on the subject web page. These will be available at the end of the week of the lecture (Week 3 seminar solutions will be available in Week 4).

### **Supplementary examination**

A supplementary exam will be held on the 5th July 2001. You should take this into consideration when organising your commitments. If you are not available on that date, or cannot be contacted prior to that date, no further recourse will be available to you. It is essential that you update the University on changes to your phone numbers and/or address.

### **Satisfactory performance**

To be eligible for a passing grade in the subject, students must perform at a satisfactory level in the mid-session exam, group assignment and final exam. Failure to do so may result in either supplementary examination being required or the award of an Unsatisfactory fail (UF) grade.

### **Consultation hours**

Students will be advised of consultation hours during the first seminar. Staff will be available during their consultation time or another a mutually convenient time to assist any student

enrolled in the subject. Consultation time is intended to clarify concepts not understood by students who have attended lectures. Consultation hours are not a substitute for lecture attendance and should be not used for this purpose

**Text book**

Trotman, K.T. and Gibbons, M., 1998, "Financial Accounting: An Integrated Approach". This book can be purchased from the UNSW bookshop in the Quadrangle Building.

**Teaching staff**

Lee Ridge (Lecturer-in-charge), Tel 0408 949846, e-mail l.ridge@unsw.edu.au

**COURSE SUMMARY**

<i>Week 1 (26 February 2001)</i>	Introductory Seminar
<i>Week 2 (5 March 2001)</i>	Introduction to Financial Accounting
<i>Week 3 (12 March 2001)</i>	Balance Sheet I
<i>Week 4 (19 March 2001)</i>	Profit and Loss I
<i>Week 5 (26 March 2001)</i>	Balance Sheet + Profit and Loss - remaining issues
<i>Week 6 (2 April 2001)</i>	Cash Flow
<i>Week 7 (9 April 2001)</i>	<i>Mid Session Exam</i> , Introduction to Financial Statement Analysis
<i>(16 April 2001)</i>	EASTER - no lecture
<i>Week 8 (23 April 2001)</i>	ANZAC DAY - no lecture
<i>Week 9 (30 May 2001)</i>	Financial Statement Analysis
<i>Week 10 (7 May 2001)</i>	
<i>Week 11 (14 May 2001)</i>	Management Accounting I - <i>Group Assignments due</i>
<i>Week 12 (21 May 2001)</i>	Management Accounting II
<i>Week 13 (28 May 2001)</i>	Other Issues, <i>Group Assignments handed back</i>
<i>Week 14 (4 June 2001)</i>	Final Exam