This unit aims to develop the ability to understand, interpret and use financial reports. The unit is structured to provide an understanding of accounting concepts, issues and problems rather than educating someone to take the role of a professional accountant. The focus of the unit is on accounting for external users and after developing an understanding of the basic concepts underlying external general-purpose financial reports, techniques to analyse such reports are examined. The unit also provides an introduction to accounting for internal users. Basic cost concepts for making operating and strategic decisions within an organisation are discussed.
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<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit web site URL:</td>
<td><a href="http://www.gsm.uwa.edu.au/current_students3/grad_cert_dip/quickplace">http://www.gsm.uwa.edu.au/current_students3/grad_cert_dip/quickplace</a></td>
</tr>
<tr>
<td>Seminar times:</td>
<td>Saturdays 9am-12noon</td>
</tr>
<tr>
<td>Seminar venue:</td>
<td>Myers Lecture Theatre, Graduate School of Management</td>
</tr>
<tr>
<td>Unit coordinator:</td>
<td>David Woodliff</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:David.Woodliff@uwa.edu.au">David.Woodliff@uwa.edu.au</a></td>
</tr>
<tr>
<td>Telephone:</td>
<td>6488 2911</td>
</tr>
<tr>
<td>MBA unit coordinator:</td>
<td>Phil Hancock</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:Phil.Hancock@uwa.edu.au">Phil.Hancock@uwa.edu.au</a></td>
</tr>
</tbody>
</table>

### Your lecturer

**David Woodliff**  
BEc BCom PhD *W.Aust*

David has taught accounting and finance courses at undergraduate, graduate and MBA levels. He has presented papers at Australasian and European conferences and has published empirical work in the areas of finance, financial accounting, financial statement analysis, behavioural accounting and auditing. David is a director of a company that provides materials and training to chartered accountants undertaking professional training.
UNIT DESCRIPTION

Introduction

“The ability to understand and make use of financial data is the cornerstone of business strategy and business decision making in all its forms.”
(anonymous)

Welcome to MGMT8402 Accounting a unit offered by the Graduate School of Management at UWA. This is a core unit in the MBA and is usually one of the first taken by students as part of this award.

The use of financial information permeates all aspects of business decisions irrespective of the nature of a business entity. Successful business managers are those who understand the financial implications of their decisions and actions. However, this is not to say that all managers must possess accounting skills and it is not intended that you will qualify as an accountant upon the completion of this unit. A professional accounting qualification requires three years of full-time university level study, a post-graduate certification program and, some cynics might suggest, a personality change. Thus, this unit introduces some key accounting concepts so as to help you to navigate your way around published financial statements. Furthermore, this unit will equip you with sufficient knowledge of accounting as to enable you to meaningfully interact with those who provide professional accounting services from both within and external to your organisation. You will be able to understand and use accounting information in a way that enhances both your own effectiveness and that of the organisation to which you belong.

Therefore, this unit will introduce and emphasise the use of accounting information in decision-making. The course provides an introduction to the preparation of various types of financial statements so as to develop an understanding of the structure and conceptual foundation to these statements. However, the main emphasis will be on the use of the financial statements by managers rather than their preparation.

The first and major part of the unit provides the skills necessary to read and interpret the financial statements of large listed corporate entities. These financial statements comprise the income statement, balance sheet, statement of changes in equity and the cash flow statement. These statements comprise general-purpose financial reports that are normally prepared for the benefit of users external to the entity (e.g., shareholders and lenders). We then examine the performance and position of the entity as revealed by financial statement analysis. Finally, so as to obtain a better understanding of the usefulness of the information provided in these statements, we examine the conceptual basis for financial accounting.

The final four topics (Topics 12-15) of the unit provide an introduction to accounting for internal users. There will be no formal classes in this area as they are self-study topics which you will be expected to complete in your own time. The subject matter of these Topics is non-examinable. However knowledge of the material will be assumed in any subsequent unit for which Accounting 8402 is a pre-requisite.

Unit content

Accounting aims to develop the ability to understand, interpret and use financial statements. The unit is structured to provide an understanding of accounting concepts, issues and problems rather than educating someone to take the role of a professional accountant. The focus of the unit is on accounting for external users and after developing an understanding of the basic concepts underlying external general-purpose financial reports, techniques to analyse such reports are examined. The unit also provides an introduction to accounting for internal users. Basic cost concepts for making operating and strategic decisions within an organisation are discussed.
The goals of the unit

The basic goal of Accounting 8402 is to develop your ability to understand, interpret and use financial statements.

Learning outcomes

On completion of the formal classes in this unit, you should be able to:

- Appreciate the difficulties and assumptions involved in the preparation of financial statements;
- Identify the concepts and be aware of the major requirements impacting upon the preparation of conventional financial statements;
- Analyse and interpret information contained in those financial statements (with particular emphasis on using ratio analysis and cash flow analysis) bearing in mind the inherent limitations of such information.

On completion of the self study topics in this unit, you should be able to:

- Identify the different purposes for preparing accounting information for internal users;
- Explain and apply different concepts of costs to business decisions; and
- Appreciate the uses and issues associated with budgets and the balanced scorecard as management tools.

Prerequisites

The prerequisites for this unit are: Nil.

Key dates

Saturday 26 August Assignment 1 to be submitted
Saturday 21 October Assignment 2 to be submitted
Saturday 4 November Exam period commences
## UNIT STRUCTURE

### Seminar schedule

<table>
<thead>
<tr>
<th>Seminar No.</th>
<th>Week commencing</th>
<th>Topic</th>
<th>BHBJ Chapter</th>
<th>topic name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8 July</td>
<td>1</td>
<td>1</td>
<td>The supply and demand for accounting information</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>13</td>
<td>The role of the auditor and the audit committee in corporate governance</td>
</tr>
<tr>
<td>2</td>
<td>15 July</td>
<td>2</td>
<td>2</td>
<td>The Australian financial reporting framework</td>
</tr>
<tr>
<td>3</td>
<td>29 July</td>
<td>4</td>
<td>3</td>
<td>Wealth and the measurement of profit</td>
</tr>
<tr>
<td>4</td>
<td>12 August</td>
<td>5</td>
<td>4 &amp; 6</td>
<td>The components of the balance sheet and introduction to the work sheet</td>
</tr>
<tr>
<td>5</td>
<td>26 August</td>
<td>6</td>
<td>5</td>
<td>Income statement and statement of changes in equity</td>
</tr>
<tr>
<td>6</td>
<td>9 September</td>
<td>7</td>
<td>8</td>
<td>Debtors, creditors, prepayments and accruals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td>14</td>
<td>Financial statement analysis</td>
</tr>
<tr>
<td>7</td>
<td>23 September</td>
<td>8</td>
<td>9</td>
<td>Non-current assets and depreciation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9</td>
<td>12</td>
<td>Cash flow statements</td>
</tr>
<tr>
<td>8</td>
<td>7 October</td>
<td>9</td>
<td>12</td>
<td>Cash flow statements</td>
</tr>
<tr>
<td>9</td>
<td>21 October</td>
<td>10</td>
<td>12</td>
<td>Accounting for economic entities and taxation.</td>
</tr>
</tbody>
</table>

**Self study topics**
The final four topics of the unit provides an introduction to accounting for internal users. There will be no formal classes in this area as they are self study topics which you will be expected to complete in your own time. Topic details are provided later in this unit guide.
Attendance

Participation in class, whether it be listening to a lecture or actively participating in other activities, is an important part of the learning process. For this reason, the GSM has decided not to move to on-line teaching. Therefore, it is important that you attend all classes and ensure that you arrive on time for the commencement of each class.

More formally, University of Western Australia regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminar and tutorials’. Students should not expect to obtain approval to miss more than two classes per unit, unless there are exceptional circumstances.

TEXTBOOKS AND RESOURCES

Unit web site

This unit makes significant use of a Quickplace website. The address is:


You may also access this site through the GSM website at:

http://www.gsm.uwa.edu.au

To access this site you will need a user name and password.

Your username is your initials.surname (e.g., George Edward Smith will be ge.smith). Your user password is: student number

We encourage you to take a look at this site as soon as possible and make use of the many tools and different types of information placed there to assist you in your studies. Additional information about access and use of this site will be provided in the first lecture.

Required textbook(s)

Required text(s)


This text will be used extensively throughout the course. Copies of this text held in closed reserve in the Reid Business Library. A unit reader with other references for MGMT8402 Accounting will be produced and is available for purchase from the Co-op Bookshop.

Text web site

One of the icons at the web site is a direct link to the textbook web site. At this site you will find a tab with ‘Student Resources’, click on that. Once in that section click on ‘Mycourse’. You will need to register yourself as a new user (use whatever username and password you like). After that you will be asked for an Access Number, use the ISBN number located on the bar code on the back cover of the text. The Student Resources contain a review of each chapter and a practice test that you can take as many times as you like.
Once you have registered and logged in, when you click on Enter A Course, this will put you at Chapter One. If you scroll down, you will see the online practice tests at the bottom of the page. Click on that and you can take the test. On the left hand side is a button called the Table of Contents and if you click on that, you can go to other chapters and online practice tests.

Questions in each test are randomly numbered. Thus, each time you take a test from a particular chapter, the questions are assigned different numbers. Your answers will be marked each time and you will receive feedback about your performance. It is a very useful way to test your understanding of the material covered in each chapter of the book.

Additional resources and reading material

Journals and Newspapers

The following journals and newspapers are all very good references for current issues facing the accounting profession and users of accounting information and can all be found within the Business Library system (i.e., either in hard copy or electronically). As this course is designed to address the needs of managers as users of accounting information you may find that your best source for additional reading is something like the Australian Financial Review or the UK Financial Times. Using current business transactions and events reported in these newspapers is a good way to challenge your understanding of the concepts and learning outcomes that we address in this unit.

• In the Black (published by CPA Australia)
• Charter Magazine (published by the Institute of Chartered Accountants in Australia)
• Australian Accounting Review, Melbourne
• Australian Financial Review
• UK Financial Times
• The Age

Closed Reserve

The following references have been placed in Closed Reserve in the Business Section of the Reid Library for your use:

• Trotman, K., & Gibbins, M., Financial Accounting: An Integrated Approach, 2nd edn, Thomson, Melbourne

Readings on line
You can access additional readings for this unit through the readings on line facility available through the library. To access this facility go to the Quickplace site and click on Additional readings and then click on additional readings on line. Further readings will also be added to individual topics on the web site when appropriate. These readings are intended to compliment the text book and provide examples of contemporary accounting issues.

Websites and Databases
The following websites are very useful sites to visit:

Thomson Learning (publisher of Bazley and Hancock)  
Institute of Chartered Accountants in Australia  
http://www.icaa.org.au/
CPA Australia  
Australian Accounting Standards Board  
Australian Stock Exchange  
Australian Taxation Office  
http://www.ato.gov.au
Financial Accounting Standards Board (USA)  
http://www.fasb.org/
Woolworths (Australia)  
Alinta (Australia)  
http://www.alinta.net.au/

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and Learning Strategies
The classes in this unit are interactive, in which you make a real contribution both by asking questions and providing relevant examples from your experience when appropriate. Our objective is to foster a learning environment where all students feel comfortable in asking questions when they require clarification about an issue or principle. In class, we use a combination of presentations and group-based work.
Charter of Student Rights

This Charter of Student Rights upholds the fundamental rights of students who undertake their education at the University of Western Australia.

It recognizes that excellence in teaching and learning requires students to be active participants in their educational experience. It upholds the ethos that in addition to the University's role of awarding formal academic qualifications to students, the University must strive to instill in all students independent scholarly learning, critical judgment, academic integrity and ethical sensitivity. The charter outlines the rights and responsibilities for both students and staff of the University and you are encouraged to refer to the charter at: http://www.guild.uwa.edu.au/info/student_rights/charter.shtml

Use of Student Feedback

You will be asked to complete two evaluations during this unit. The Student Perception of Teaching (SPOT) and the Student's Unit Reflective Feedback (SURF). The SPOT is an evaluation of the lecturer and the unit. The SURF is a university wide survey and deals only with the unit. Your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate. For example, the use of quizzes in this unit is as a direct response to a student's suggestion in a prior SPOT survey. Since implementing the quizzes, students rate this part of the assessment very highly.

Assessment mechanism

The purpose of assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work provides you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Assessment details summary

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Relevant assessment dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual assignment</td>
<td>15%</td>
<td>Due in class Session 5.</td>
</tr>
<tr>
<td>In-class quizzes</td>
<td>20%</td>
<td>Conducted in class weeks 3, 5, 7 &amp; 9</td>
</tr>
<tr>
<td>Group assignment</td>
<td>25%</td>
<td>Due in class Session 9.</td>
</tr>
<tr>
<td>Final examination</td>
<td>40%</td>
<td>TBA</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

To pass this unit, students are required to achieve a score of at least 45% in the final exam.
Assessment components

Individual Assignment 1 (15% of final mark)

“Measuring the real worth of a big family company is predicted to be a major challenge for this sector over the next decade. It will be one of the major issues over the next 10 years, given that balance sheets don’t measure the wealth of a company.” (M. Fenton-Jones, Australian Financial Review, 24 September, 2002)

Required

Explain what is meant by this statement. What does a balance sheet show about an entity? What are the main reasons, in your opinion, that balance sheets don’t measure the wealth of a company? Be sure to include appropriate references in your assignment.

Assignment length

The Individual Assignment has a maximum page limit of 6 A4 sheets single sided. The format is to be 11pt ARIAL font with one and half line paragraph spacing. Margins are to be set at 25mm. The maximum page limit of 6 pages excludes the Title page, the Table of Contents, the Executive Summary, the References Page and any appendices. Please note that an appendix, where used, should only contain information that is in support an argument or comment already made within the body of the paper. Marks will not be awarded for new arguments or points provided in an appendix. Please note that the Individual Assignment should not be bound or placed in a cover. Please submit your Individual Assignment with a single staple located in the top left hand corner.

Assessment criteria

Please refer to Marking Guide for the Individual Assignment attached to this Unit Outline.

Group Assignment 2 (25% of final mark)

You are required to prepare an analysis of a Public Company of your choice to determine whether to recommend a hold, buy or sell decision be made by an equity investor.

In your analysis you should make use of the most recent financial statements and any other information available up until 29 September 2006. The final share price on this date is to be incorporated into your financial analysis.

Your report should include a section commenting on any differences in the major accounting policies adopted, what impact any changes to these policies have had on financial ratio levels, and an assessment of the financial prospects of the company. You should also comment on any significant differences in accounting policies/strategies which impact on the financial ratios and your benchmark(s).

Please see the attached Marking Guide for guidance. Careful consideration, identification and discussion of your chosen industry comparisons need to be made.

You may complete this assignment individually or in a group with a maximum of 4 members. Where you choose to complete the assignment in groups, peer assessment will be used. Information about peer assessment is available on the Quickplace site.
Groups are to be chosen by students and should be identified to David by Session 6. Assistance in the form of an electronic notice board on Quickplace is available to enable you to identify potential group members.

Once you have chosen to work within a particular group, a group assignment must be submitted (i.e., you cannot disband the group midway through the semester).

Groups are required to submit a hard copy of the assignment to the GSM office. All ratio calculations where relevant and workings are required to be submitted as an appendices. You should retain items such as research notes, e-mails and a record of your individual input to the group assignment.

**Assignment length**

A maximum page limit of 15 A4 single sided sheets is set for the Group Assignment. The format of the submission is to be 11 pt ARIAL font with 1.5 lines paragraph spacing. The submitted document is to have 25mm margins. This 15 page limit excludes the Title page, the Table of Contents, Executive Summary, References and any Appendices. Please note that an appendix, where used, should contain information to support an argument or comment within the body of the paper. Marks will not be awarded for any new arguments or points introduced in an appendix. Given the likely length of the Group Assignment, please note that your submission should be bound.

**Assessment Criteria**

Please see the Marking Guide for this assignment attached to the Unit Outline.

**In Class Quizzes (20% of final mark)**

Each quiz is worth 5% of the total unit assessment and will be completed during class time. There will be no alternative time set to sit missed quizzes. Students with approved absences will have the 5% weighting added to the final exam. Each quiz will include 10 multiple choice questions and you will be allowed 15 minutes to complete the quiz. Quizzes are based on the topics covered since the previous quiz. Please note that the text website has ‘on-line’ quizzes. See earlier for instructions on how to access this site.

**Final Exam (40% of final mark)**

This exam will be 120 minutes in duration and will cover all Topics. The exam is open book. To pass this unit, students are required to achieve a score of at least 45% in the final exam.

**Submission of assignments**

Assignments should be submitted in class on the due date or if handed into the office; a standard cover sheet should be used and a receipt issued.

Late assignments will attract a penalty of 5% per day or part thereof. This penalty will be waived by David only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Papers of excessive length will also attract a penalty. The penalty will be 5% for each half page or part thereof, over the page limit.
Assignments will be returned through the GSM reception.

It is the intention that the marked assignments will be returned within two weeks of submission.

**The Standard of Assessment**

The Graduate School must ensure that the processes of assessment are fair and are designed to maintain the standards of the School and its students. The School follows the University of Western Australia’s grading system.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD (Higher Distinction)</td>
<td>80 - 100%</td>
</tr>
<tr>
<td>D (Distinction)</td>
<td>70 - 79%</td>
</tr>
<tr>
<td>CR (Credit Pass)</td>
<td>60 - 69%</td>
</tr>
<tr>
<td>P (Pass)</td>
<td>50 - 59%</td>
</tr>
<tr>
<td>N+ (Fail)</td>
<td>45 - 49%</td>
</tr>
<tr>
<td>N (Fail)</td>
<td>0 - 44%</td>
</tr>
</tbody>
</table>

The School awards marks leading to these grades by using the following general criteria which are presented here as an indication of the School’s expectations. These general criteria may be supplemented by specific standards provided with regard to a particular assignment.

**HD** The student has a clear understanding of theory, concepts and issues relating to the subject and is able to adopt a critical perspective. The student is able to clearly identify the most critical aspects of the task and is able to offer a logically consistent and well-articulated analysis within the analytical framework presented in the course. The student is able to draw widely from the academic literature and elsewhere, but maintains relevance.

**D** The student has a clear understanding of theory, concepts and issues relating to the subject. The student is able to develop an analysis of an issue using the analytic framework presented in the course and is able to identify and evaluate the critical issues. The student is able to draw upon relevant academic and other material.

**CR** The student demonstrates an understanding of the analytic framework developed in the course and a partial understanding of concepts and issues. The student is able to identify some key issues and is able to present a logical discussion, but with some conceptual errors or gaps between analysis and conclusions shortcoming. The student is able to draw upon an adequate range of references and other materials.

**P** The student generally takes a descriptive rather than analytic approach to the subject. The student is able to demonstrate some understanding of the issues involved but does not demonstrate the ability to apply the analytical framework that had been developed in the course. Draws primarily upon course materials for referencing.
The student is unable to demonstrate that he or she understands the core elements of the subject matter. The student is able to provide some insight into issues but misapplies analytic framework developed in the course, omitting key factors and, for example, drawing conclusions that are not related to the preceding discussion.

The student is unable to demonstrate any understanding of the subject matter. Material presented for assessment is unrelated to course framework and shows no effort to identify or address critical aspects of the topic.

The scaling of marks to ensure comparability between classes is an acceptable academic practice. The GSM and Board of Examiners reserve the right to scale marks where it is considered necessary to maintain consistency and fairness.

**Ethical Scholarship, Academic Literacy and Academic Misconduct**

**Ethical Scholarship** is the pursuit of scholarly enquiry marked by honesty and integrity.

**Academic Literacy** is the capacity to undertake study and research, and to communicate findings and knowledge, in a manner appropriate to the particular disciplinary conventions and scholarly standards expected at university level.

**Academic misconduct** is any activity or practice engaged in by a student that breaches explicit guidelines relating to the production of work for assessment, in a manner that compromises or defeats the purpose of that assessment. **Students must not engage in academic misconduct.** Any such activity undermines an ethos of ethical scholarship. Academic misconduct includes, but is not limited to cheating, or attempting to cheat, through:

- Collusion.
- Inappropriate collaboration.
- Plagiarism (see below for more details).
- Misrepresenting or fabricating data or results or other assessable work.
- Inappropriate electronic data sourcing/collection.
- Breaching rules specified for the conduct of examinations in a way that may compromise or defeat the purposes of assessment.

Penalties for academic misconduct vary according to seriousness of the case, and may include the requirement to do further work or repeat work; deduction of marks; the award of zero marks for the assessment; failure of one or more units; suspension from a course of study; exclusion from the University; non-conferral of a degree, diploma or other award to which the student would otherwise have been entitled. Please refer to the Ethical Scholarship, Academic Literacy and Academic Misconduct and individual Faculty policies for further details. For further information on the rules and procedures in respect of appropriate academic conduct you should visit: [http://www.teachingandlearning.uwa.edu.au/tl/academic_conduct](http://www.teachingandlearning.uwa.edu.au/tl/academic_conduct)
Acknowledgements and Plagiarism

In the course of your individual and group work assignments, you will encounter ideas from many sources. These will include journal and newspaper articles, commentaries, books, web sites and other electronic sources, original case sources, lecture materials. All MBA assignments that you submit must acknowledge all the different sources you have used. Not to acknowledge your sources is plagiarism, a form of dishonesty. Plagiarism is the misappropriation of the work or ideas of others and presenting them as your own. This is reprehensible from both an ethical and legal viewpoint. Neither the School nor the University accepts ignorance or the fact that a student’s previous acts of plagiarism had been undetected as a defence.

In order to avoid engaging in plagiarism it is your responsibility to acknowledge all of your sources in any work submitted for assessment and it is essential that you reference the work of others correctly. Where you quote directly from a source, you must ensure that any direct quotations are placed in quotation marks and are fully referenced. Even when you do not quote directly and are just referring to or expanding on the work of others, you must still acknowledge the sources of your information and ideas. Close paraphrasing in which you change a few phrases around, leave a clause out of a long sentence or put the original sentences in a different order is still plagiarism. To mark words as a quotation the entire text that has been copied should be enclosed within the quotation marks. If the copied text is four or more lines in length, it may be more appropriate to set it as a separate and indented paragraph. Each time that text is copied, the source must be acknowledged with a reference citation, including the page number.

Advice on proper referencing is given below. If you have any doubts concerning appropriate referencing formats or how to acknowledge the work of others correctly, you should seek the advice of your lecturer.

Referencing

It is important that the referencing of any sources used in your written work is done properly, if only to substantiate the points you are making in your assignment or project. The Harvard style is the preferred and there are some notes for guidance which have been prepared by the library staff: ‘Citing your Sources Harvard Style’ http://www.library.uwa.edu.au/guides/citingsources/harvard.html

EndNote is a really good system for building up a database of references. Not everyone will want to invest the time in using this system but you should consider it if you intend to build up resource materials or plan to undertake extensive research in a particular area. The library staff have also developed a tutoring package: Â Quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay http://www.library.uwa.edu.au/guides/Endnote/quick_endnote.pdf

This is linked to the ‘How to Use ’EndNote page www.library.uwa.edu.au/guides/endnote/ which provides more comprehensive information.
Taping of Lectures

The Graduate School does not provide tape recordings of lectures. However, if you do wish to tape record a lecture, then as a matter of courtesy you should obtain the permission of the lecturer first.

Appeals Against Academic Assessment

In the first instance, students are strongly advised to talk informally to the lecturer about the grade awarded. The University provides the opportunity for students to lodge an appeal against any mark that he or she feels is unfair. Any student making an appeal is under an obligation to establish a prima facie case by providing particular and substantial reasons for the appeal.

There is a 12 day time limit for making any such appeal. An appeal against academic assessment may result, as appropriate, in an increase or decrease in the mark originally awarded. The University regulations relating to appeals and the form on which the appeal should be lodged can be found in the GSM website or at http://www.publishing.uwa.edu.au/handbooks/interfaculty/PFAAAA.html
Detailed Session Outlines:

TOPIC TITLE: Topic 1 – Introduction to Accounting

TOPIC OBJECTIVES:

When we have completed Topic 1, you will be able to:

• Define Management Accounting and Financial Accounting and provide examples of the types of accounting information generated by these two areas.
• Identify the four principal business activities of an entity and be able to provide examples of short and long term activities included in those groups.
• Identify the main sources of demand and supply of accounting information.
• Define and identify the content of General Purpose Financial Reports.
• Identify the content of an annual report and link that content back to the principal business activities of an entity.

REQUIRED READING:

Chapter 1: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 1.1.
• Problem 1.10.
• Problem 1.12.

PLEASE NOTE THAT PROBLEM 1.1 REFERS TO ‘PROBLEMS FOR DISCUSSION AND ANALYSIS’ CHAPTER 1, PROBLEM 1 (AND SO ON). SOLUTIONS TO THESE PROBLEMS WILL BE MADE AVAILABLE AT THE QUICKPLACE WEB SITE AT THE RELEVANT TOPIC NUMBER.
TOPIC TITLE: Topic 2 – The Financial Reporting Framework

TOPIC OBJECTIVES:

When we have completed Topic 2, you will be able to:
• Identify the factors that influence the preparation of financial statements.
• Explain the current arrangements for standard setting in Australia.
• Explain the roles of the FRC, AASB, the UIG and ASIC in relation to accounting standards.
• Explain the influence of accounting standards, the Corporations Act and the stock exchange on financial reporting requirements.
• Explain what is meant by a conceptual framework.
• Discuss the objective of general purpose financial reporting and the role of the qualitative characteristics of financial information.

REQUIRED READING:

Chapter 2: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 2.5.
• Problem 2.10.
TOPIC TITLE: Topic 3 – The role of the auditor and the audit committee in Corporate Governance

TOPIC OBJECTIVES:

When we have completed Topic 3, you will be able to:
• Explain what is meant by the term ‘corporate governance’.
• Discuss the issues associated with the role of the audit committee in corporate governance.
• Identify the role of the audit and the auditor in corporate governance and financial reporting.
• Explain what is meant by the term ‘expectation gap’.
• Explain the concept of audit independence and why it is so important.

REQUIRED READING:

Chapter 13: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 13.1.
• Problem 13.9.
TOPIC TITLE: Topic 4 - Wealth & the Measurement of Profit

TOPIC OBJECTIVES:

When we have completed Topic 4, you will be able to:
• Define and provide examples of Wealth and Profit.
• Identify the problems involved with measurement.
• Define and provide examples of Historical Cost, Replacement Cost.
• Explain the Economic Value, Net Realisable Value and fair value methods of measurement.

REQUIRED READING:

Chapter 3: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 3.1.
• Problem 3.11.
• Problem 3.12.
TOPIC TITLE: Topic 5 – Balance sheet and introduction to the worksheet

TOPIC OBJECTIVES:
When we have completed Topic 5, you will be able to:
• Define the objectives, purpose and limitations of the balance sheet.
• Identify the categories of this statement including assets, liabilities and owners equity and the criteria used to identify transactions within these categories.
• Define and explain the operating cycle, the balance sheet equation and the principle of duality.
• Identify the influences on the format of this statement.
• Appreciate the role and use of a worksheet.

REQUIRED READING:
Chapter 4: Bazley, Hancock, et. al. (2004).
Chapter 6: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:
Complete required reading
Complete the following questions from the text:
• Problem 4.1.
• Problem 4.10.
• Problem 4.11.
• Problem 6.2
TOPIC TITLE: Topic 6 – Income statement and statement of changes in equity

TOPIC OBJECTIVES:

When we have completed Topic 6, you will be able to:

• Discuss the importance of the income statement.
• Define and explain the terms ‘income’ and ‘revenue’.
• Explain and apply the principles involved in the recognition of revenue and be able to provide examples of revenue.
• Define and explain the term ‘expense’, be able to explain and apply the expense recognition criteria, and be able to provide examples of expenses.
• Identify the various factors which influence the format of the income statement.
• Identify and explain a statement of changes in equity.

REQUIRED READING:

Chapter 5: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:

• Problem 5.1.
• Problem 5.4.
• Problem 5.11.
TOPIC OBJECTIVES:

When we have completed Topic 7, you will be able to:
• Define and be able to calculate debtors, prepayments, accruals and creditors.
• Explain the different methods of calculating bad debts namely the direct write-off method and the provisioning method.

REQUIRED READING:

Chapter 8: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 8.1.
• Problem 8.5.
• Problem 8.11.
TOPIC TITLE: Topic 8 – Non Current Assets and Depreciation

TOPIC OBJECTIVES:

When we have completed Topic 8, you will be able to:

• Recognise the different components included in the original cost of a non-current asset.
• Define depreciation and understand why we include it as an expense of business activities.
• Apply the different methods of calculating depreciation including reducing balance, and straight line.
• Define and provide examples of intangible assets including identifiable and unidentifiable intangibles.

REQUIRED READING:

Chapter 9: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 9.1.
• Problem 9.5.
• Problem 9.14.
TOPIC TITLE: Topic 9 – Cash Flow Statements

TOPIC OBJECTIVES:

When we have completed Topic 9, you will be able to:
• Explain what is included in the term ‘cash’.
• Explain internal control procedures for cash and why they are important.
• Identify what is meant by cash flows from operating, investing and financing activities and be able to categorise transactions within those 3 areas.
• Explain the purpose of cash flow statements.
• Identify the differences between cash flows and net profit.

REQUIRED READING:

Chapter 12, pp. 269 - 282: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 12.5.
• Problem 12.8.
• Problem 12.16.
TOPIC TITLE: Topic 10 – Accounting for interests in other entities and the tax environment

TOPIC OBJECTIVES:

When we have completed Topic 10, you will be able to:
• Identify and understand the reasons for preparing consolidated financial statements.
• Explain why, when preparing consolidated financial statements, it is necessary to eliminate the investment in subsidiaries and inter-entity transactions.
• Explain the difference between taxable income and net profit before tax.
• Explain the terms current and deferred taxes and appreciate how they are accounted for.

REQUIRED READING:

Chapter 12, pp. 282 to 290: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 12.1.
TOPIC TITLE: Topic 11 – Financial statement analysis

TOPIC OBJECTIVES:

When we have completed Topic 11, you will be able to

• Identify the needs of the various parties in respect to the analysis of financial statements.
• Explain the relationship between expected returns and risks for alternative investments and the role financial statement analysis plays in providing information about the investment return and risk trade-off.
• Appreciate the importance of comparability in undertaking financial statement analysis.
• Explain the techniques of trend analysis and common-size financial statement analysis.
• Apply and interpret relevant ratios for analysing the financial performance and position of a business.
• Identify the strengths and weaknesses of financial statement analysis.

REQUIRED READING:

Chapter 14: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete required reading

Complete the following questions from the text:
• Problem 14.1.
• Problem 14.3.
• Problem 14.10.

Complete additional questions to be distributed in class.
TOPIC TITLE: Topic 12 – Introduction to management accounting and cost concepts

TOPIC OBJECTIVES:

When we have completed this Topic, you will be able to:

• Appreciate and explain why the information needs management cannot be solely met by general-purpose financial reports.
• Explain how organizational size and structure influences a management need for more complex and internally focused information.
• Identify the cost assignment process and to allocate costs to different cost objects.
• Explain basic cost concepts.

REQUIRED READING:

Chapter 15: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete the following questions from the text:
• Review Question 15.1.
• Problem 17.7.
• Ethics Case Study at the end of Chapter 17.
TOPIC TITLE: Topic 13 – Cost-volume-profit relationships

TOPIC OBJECTIVES:

When we have completed Topic 13, you will be able to:
• Identify the difference between fixed and variable costs and to illustrate different types of cost behaviour.
• Explain the relationship between the fixed and variable costs of production.
• Explain and apply the contribution margin approach to cost-volume-profit analysis.

REQUIRED READING:

Chapter 18: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete the required reading

Complete the following questions from the text:
• Problem 18.1.
• Problem 18.4.
• Problem 18.9.
TOPIC TITLE: Topic 14 – Accounting for decision-making: with and without resource constraints

TOPIC OBJECTIVES:

When we have completed Topic 14, you will be able to:
• Explain the difference between avoidable and unavoidable costs.
• Identify what is meant by sunk costs.
• Explain what is meant by differential costs and how they are relevant for decision-making.
• Explain and apply the contribution margin approach to a proposal to shut-down an unprofitable business unit.

REQUIRED READING:

Chapters 19 Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete the required reading

Complete the following questions from the text:
• Problem 19.6.
• Problem 19.10.
TOPIC TITLE: Topic 15 – Planning and control: budgets, performance measurement and the Balanced Scorecard

TOPIC OBJECTIVES:

When we have completed Topic 15, you will be able to:
- Explain why organizations need to effectively plan and control organizational activities.
- Explain how organizational accountabilities influence the type of managerial budget responsibilities (e.g., for costs, revenues, profits and return on investment).
- Illustrate how organisational activities are planned and controlled through the use of multiple measures of performance (e.g., financial and non-financial indicators).
- Identify the difference between strategic and operating key performance indicators (KPIs).
- Identify the difference between driver and outcome KPIs.
- Explain what is the ‘balanced scorecard’ and to describe the four perspectives of organizational performance as presented through a generic scorecard.
- Discuss the reasons for budgets.
- Explain the various steps in the budget process.
- Illustrate the behavioural dimension to budgets.

REQUIRED READING:

Chapter 21: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

Complete the required reading

Complete the following questions from the text:
- Review Question 20.2.
- Review Question 20.5.
- Problem 21.2.
- Problem 21.3.
**INDIVIDUAL ASSIGNMENT MARKING GUIDE**

**PLEASE ATTACH THIS GUIDE TO YOUR ASSIGNMENT**

Student Number: ____________

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**REPORT AND PRESENTATION**

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Note: David reserves the right to reward additional contributions not anticipated in this marking guide.
ASSIGNMENT 2 MARKING GUIDE
PLEASE ATTACH THIS GUIDE TO YOUR ASSIGNMENT

Student Numbers: ___________ ____________ ____________

Mark

CHOICE OF BENCHMARK /5

RATIO ANALYSIS DISCUSSION

Profitability /7
Activity/Efficiency /7
Short Term Liquidity /7
Long Term Liquidity /7
Market based ratios /7

ACCOUNTING POLICIES /15
Application – what has been used to determine policies
Disclosure – is it in conformance
Changes in Policies – if applicable
Differences in Policies between Company and benchmarks

FUNDAMENTAL ANALYSIS /35
Organisation Prospects – what factors are important for the future
success of the company?
What suggestions do you have to improve the financial
performance and position of the Company?
Reasons to support Hold, Buy or Sell equity investment
recommendation.

REPORT AND PRESENTATION /10
Organisation and structure
Expression and clarity
Presentation and referencing
Other relevant points

TOTAL /100

NOTE:
The points under the bold sections are areas to consider but are not meant to be
restrictive.