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.
Contents

UNIT DESCRIPTION
Introduction
Unit Content
The Goal of the Unit
Learning Outcomes
Prerequisites
Key Dates

TEACHING AND LEARNING RESPONSIBILITIES
Teaching and Learning Strategies
Charter of Student Rights
Use of Student Feedback

ASSESSMENT MECHANISM
Purpose of Assessment
Assessment Details Summary
Standard of Assessment
Assessment Components
Submission of Assignments
Ethical Scholarship, Academic Literacy and Academic Misconduct
Acknowledgements and Plagiarism
Referencing
Taping of Lectures
Appeals Against Academic Assessment

TEXTBOOK(S) AND RESOURCES
Unit Website
Recommended/Required Text(s)
Additional/Suggested/Alternate Text(s)
Software Requirements
Additional Resources and Reading Material
Reference List
Closed Reserve
Databases

UNIT STRUCTURE
Seminar Schedule
Seminar details
Attendance
**Contact details**

<table>
<thead>
<tr>
<th>Unit Web Site URL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecturer</td>
<td>Phil Hancock</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:phancock@biz.uwa.edu.au">phancock@biz.uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>61 8 6488 1835</td>
</tr>
<tr>
<td>Fax:</td>
<td>61 8 6488 1072</td>
</tr>
<tr>
<td>Consultation Hours:</td>
<td>By appointment</td>
</tr>
<tr>
<td>Lecture Times:</td>
<td>Stream 1 Thursday April 6, 6pm-10pm; Saturday April 8, 9am-6pm; Thursday, May 18, 6pm-10pm; Saturday May 20, 6pm-10pm</td>
</tr>
<tr>
<td></td>
<td>Stream 2 Friday April 7, 6pm-10pm; Sunday April 9, 9am-6pm; Friday May 18, 6pm-10pm; Sunday May 20, 6pm-10pm</td>
</tr>
<tr>
<td>Lecture Venue:</td>
<td>PSB</td>
</tr>
</tbody>
</table>

**Your lecturer**

**Phil Hancock, B.Com (UWA), M.Com (UWA), FCPA, ACA**

Phil is the Associate Dean of Teaching and Learning for the Faculty of Economics and Commerce and a Senior Teaching Fellow at the Graduate School of Management at UWA. Phil has extensive experience in the regulation of corporate financial reporting, international accounting and management in both the educational and private sectors. Phil is a Fellow of CPA Australia and an Associate of the Institute of Chartered Accountants. He is an active member of the profession and sits on a national panel associated with the Society’s CPA Program. Phil was appointed to the Urgent Issues Group (UIG) on May 1, 2002. The UIG is a sub-committee of the Australian Accounting Standards Board and is responsible for the interpretation of accounting standards issued in Australia. He is the only academic member of the UIG. He is also a member of the ASIC Accounting Liaison Group in WA.

He was commissioned in 1987 by the Australian Accounting Research Foundation to prepare a background paper on accounting issues associated with Financial Institutions and Financial Instruments. This resulted in the publication of Discussion Paper 14 *Financial Reporting by Financial Institutions and Accounting for Financial Instruments* in 1990. This work was the forerunner to accounting standards, which have since been issued in these areas. In addition, Phil has published many articles, chapters in books and is the co-author of an introductory accounting book which is used in over 16 tertiary institutions in Australia and New Zealand.

Phil has been teaching MBA and EMBA students for more than 15 years and in 2002 he was voted best lecturer by the EMBA students and in 2003 he received the University excellence in teaching award for postgraduate coursework. As a teacher of Financial Accounting at both the undergraduate and postgraduate levels for over 25 years, he is well known both in Western Australia and in the Eastern States. Phil has held senior positions at UWA, ECU, and Murdoch Universities. He has worked for the Chartered Accounting firm of Irish, Young and Outhwaite. He was a Director and Chairman of the University Credit Union for 10 years.
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 Accounting 502 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 on 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 and it will 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 within and 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 business 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 second part of the unit primarily focuses on the types of accounting information made available within the entity. Topics include the use of accounting information in planning, control, decision-making, and performance measurement. One important lesson to be gained from this part of the unit is that accounting information can be constructed and used in different ways for different purposes.

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

Accounting has two goals. The first is to develop your ability to understand, interpret and use financial statements. The second is to develop your awareness of the basis for preparation and the strategic use of internal accounting information. It is essential for MBA graduates to have a basic understanding of accounting in these two forms.

Learning outcomes

On completion of 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;
- Identify the different purposes for preparing accounting information for internal users;
- Explain and apply different concepts of costs to business decisions; and
- Appreciate the behavioural issues associated with budgets

Prerequisites

The prerequisites for this unit are:

Nil

Key dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 8</td>
<td>Assignment to be submitted</td>
</tr>
<tr>
<td>June 22</td>
<td>Final exam</td>
</tr>
</tbody>
</table>
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 to ask questions when they need to seek some clarification about some issue or principle. In class we use a combination of presentations and group 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 recognises 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 instil in all students independent scholarly learning, critical judgement, 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_help/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 every 2 weeks in this unit is as a direct response to a student’s suggestion in a prior SPOT survey. Since implementing the fortnightly 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 then gives 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>Class participation</td>
<td>10%</td>
<td>Lectures and tutorials</td>
</tr>
<tr>
<td>In-class quizzes</td>
<td>15%</td>
<td>Conducted in class</td>
</tr>
<tr>
<td>Group assignment</td>
<td>25%</td>
<td>June 8.</td>
</tr>
<tr>
<td>Final examination</td>
<td>50%</td>
<td>June 22</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.
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</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 analytic 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 which had been developed in the course. Draws primarily upon course materials for referencing.

**N+** 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 course, omitting key factors and, for example, drawing conclusions which are not related to the preceding discussion.

**N** 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 in an acceptable academic practice. The GSM and Board of Examiners has the right to scale marks where it is considered necessary to maintain consistency and fairness.
Assessment components

Group Assignment (25% of final mark)

You are required to prepare an analysis of Singapore Telecommunications (Singtel) 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 31 May 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 of Singtel Ltd 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 by e-mail to Phil Hancock by April 30.

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 trimester.)

Groups are required to submit a hard copy of the assignment to the PSB 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 10 A4 sheets printed on both sides 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 20 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 end of this Unit Outline.
In Class Quizzes (15% 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. If you miss a quiz and you provide an acceptable reason which is normally based on medical grounds, the marks will be added to your final exam.

Each quiz will include 10 multiple choice questions and you will be allowed 20 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.

Participation (10% of final mark)

This mark will be awarded on your participation and not just attendance in classroom discussion in both the block teaching and tutorial sessions.

Final Exam (50% of final mark)

This exam will be 180 minutes in duration and will cover all Topics. There will be 6 essay/problem /case type questions.

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 handed into the PSB 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 Phil or Peter 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 PSB office.

It is the intention that the marked assignments will be returned within two weeks of submission.
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 more details below)
• 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. Refer to the Ethical Scholarship, Academic Literacy and Academic Misconduct and individual Faculty policies. 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

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 coped should be enclosed within quotation marks. If the copied text is four or more lines in length, it may be more appropriate to set is 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’

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: ‘A quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay

This is linked to from the how to Use End Note page www.library.uwa.edu.au/guides/endnote/ which provides more comprehensive information.

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 which 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
TEXTBOOKS AND RESOURCES

Unit web site

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

http://quickplace.biz.uwa.edu.au/QuickPlace/mgmt8502sg/Main.nsf

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 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)

- Book of readings for the unit.

This text will be used extensively throughout the course.

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.

Once you have registered and logged in, 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. Click on that to go to other chapters. The student resources contains a review of each chapter and a practice test which you can take as many times as you like. The questions in the test are randomly numbered and so each time you take the test 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 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 Straits Times, South China Morning Post, Asian Business Review 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 we are addressing in this unit.

- Singapore Accountant
- In the Black, Melbourne
- Charter; Sydney
- Australian Accounting Review; Melbourne

Websites

- http://www.iasb.org
- http://aicpa.org/index.htm
- http://www.fasb.org/
- http://www.icpas.org.sg
- http://www.ccdg.gov.sg

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 Library and access readings for units and enter in Accounting MGMT 8502. 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.
# UNIT STRUCTURE

## Quarter 2 2006-Stream 1

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Reference (BHBJ)</th>
<th>Readings</th>
</tr>
</thead>
</table>
| 1       | 6 April (6pm -10 pm) | Course Introduction
What is accounting. Who are the users of accounting information? The Financial Reporting Framework | Chapter 1        | Introduction: What is Accounting? |
|         |                    |                                                                       | Chapter 2        | IASB Framework                                |
| 2       | 8 April (9am-12 noon) | Corporate governance and the audit
The Balance Sheet and introduction to the worksheet | Chapter 13       | IASB Framework                                |
|         |                    |                                                                       | Chapter 4        |                                               |
|         |                    |                                                                       | Chapter 6        |                                               |
| 3       | 8 April (1pm - 3 pm) | QUIZ 1
The Profit and Loss Statement | Chapter 5        |                                               |
| 4       | 8 April (3pm - 6 pm) | Accruals and prepayments. Non Current Assets and Depreciation | Chapter 8        |                                               |
|         |                    |                                                                       | Chapter 9        |                                               |
| 9       | 18 May (6pm – 8.30 pm) | QUIZ 2
Cash Flow Statements | Chapter 12       |                                               |
| 10      | 18May (8.30pm – 10 pm) | Accounting for economic entities and taxation | Chapter 12       |                                               |
| 11      | 20 May (9am-12 noon ) | Financial Statement
Analysis | Chapter 14       |                                               |
| 12      | 20 May (1pm - 3 pm) | QUIZ 3
Introduction to Management Accounting and cost concepts. Cost Volume Profit Relationships | Chapter 15       |                                               |
|         |                    |                                                                       | Chapter 17(p 398-404) |                                               |
|         |                    |                                                                       | Chapter 18       |                                               |
| 13      | 20 May (3pm – 6 pm) | Relevant costs for decision making
Budgets | Chapter 19       |                                               |
<p>|         |                    |                                                                       | Chapter 20       |                                               |</p>
<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Reference (BHBJ)</th>
<th>Readings</th>
</tr>
</thead>
</table>
| 1       | 9 April (6pm - 10 pm) | Course Introduction  
What is accounting. Who are the users of accounting information?  
The financial reporting framework | Chapter 1  
Chapter 2 | Introduction: What is Accounting? |
| 2       | 12 April (9am-12 noon) | Corporate governance and the audit  
The Balance Sheet and introduction to the worksheet | Chapter 13  
Chapter 4 | IASB Framework |
| 3       | 12 April (12noon - 3 pm) | **QUIZ 1**  
The profit and loss statement | Chapter 5 |                           |
| 4       | 12 April (3pm - 6 pm) | Accruals and prepayments  
Non Current Assets and Depreciation | Chapter 8  
Chapter 9 |                           |
| 9       | 19 May (6pm – 8.30 pm) | **QUIZ 2**  
Cash Flow Statements | Chapter 12 |                           |
| 10      | 19 May (8.30pm – 10 pm) | Accounting for economic entities and taxation | Chapter 12 |                           |
| 11      | 21 May (9am-12 noon) | Financial Statement Analysis | Chapter 14 |                           |
| 12      | 21 May (12noon - 3 pm) | **QUIZ 3**  
Introduction to Management Accounting and cost concepts.  
Cost Volume Profit Relationships | Chapter 15  
Chapter17(p 398-404)  
Chapter 18 |                           |
| 13      | 21 May (3pm – 6 pm) | Relevant costs for decision making  
Budgets | Chapter 19  
Chapter 20 |                           |
CLASS SCHEDULE

Accounting 502 is taught over 17 sessions. The term schedule is:

STREAM 1

**BLOCK TEACHING 1. Lecturer: Phil Hancock**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thursday 6 April</td>
<td>6.00pm-10.00pm</td>
</tr>
<tr>
<td>2</td>
<td>Saturday 8 April</td>
<td>9.00am-12.00pm</td>
</tr>
<tr>
<td>3</td>
<td>Saturday 8 April</td>
<td>1.00pm-3.00pm</td>
</tr>
<tr>
<td>4</td>
<td>Saturday 8 April</td>
<td>3.00pm to 6.00pm</td>
</tr>
</tbody>
</table>

**TUTORIALS**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Thursday 20 April</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>6</td>
<td>Thursday 20 April</td>
<td>8.30pm-10.00pm</td>
</tr>
<tr>
<td>7</td>
<td>Wednesday 3 May</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>8</td>
<td>Wednesday 3 May</td>
<td>8.30pm-10.00pm</td>
</tr>
</tbody>
</table>

**BLOCK TEACHING 2. Lecturer: Phil Hancock**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Thursday 18 May</td>
<td>6.00pm-8.30pm</td>
</tr>
<tr>
<td>10</td>
<td>Thursday 18 May</td>
<td>8.30pm-10.00pm</td>
</tr>
<tr>
<td>11</td>
<td>Saturday 20 May</td>
<td>9.00am-12.00pm</td>
</tr>
<tr>
<td>12</td>
<td>Saturday 20 May</td>
<td>1.00pm-3.00pm</td>
</tr>
<tr>
<td>13</td>
<td>Saturday 20 May</td>
<td>3.00pm to 6.00pm</td>
</tr>
</tbody>
</table>

**TUTORIALS**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Thursday 1 June</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>15</td>
<td>Thursday 1 June</td>
<td>8.30pm-10.00pm</td>
</tr>
<tr>
<td>16</td>
<td>Wednesday 14 June</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>17</td>
<td>Wednesday 14 June</td>
<td>8.30pm-10.00pm</td>
</tr>
</tbody>
</table>

STREAM 2

**BLOCK TEACHING 1. Lecturer: Phil Hancock**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Friday 7 April</td>
<td>6.00pm-10.00pm</td>
</tr>
<tr>
<td>2</td>
<td>Sunday 9 April</td>
<td>9.00am-12.00pm</td>
</tr>
<tr>
<td>3</td>
<td>Sunday 9 April</td>
<td>1.00pm-3.00pm</td>
</tr>
<tr>
<td>4</td>
<td>Sunday 9 April</td>
<td>3.00pm to 6.00pm</td>
</tr>
</tbody>
</table>

**TUTORIALS**

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Thursday 13 April</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>6</td>
<td>Thursday 13 April</td>
<td>8.30pm-10.00pm</td>
</tr>
<tr>
<td>7</td>
<td>Wednesday 26 April</td>
<td>7.00pm-8.30pm</td>
</tr>
<tr>
<td>8</td>
<td>Wednesday 26 April</td>
<td>8.30pm-10.00pm</td>
</tr>
</tbody>
</table>
BLOCK TEACHING 2. Lecturer: Phil Hancock

Session 9: Friday 19 May 6.00pm-8.30pm
Session 10: Friday 19 May 8.30pm-10.00pm
Session 11: Sunday 21 May 9.00am-12.00pm
Session 12: Sunday 21 May 1.00pm-3.00pm
Session 13: Sunday 21 May 3.00pm to 6.00pm

TUTORIALS
Session 14: Thursday 25 May 7.00pm-8.30pm
Session 15: Thursday 25 May 8.30pm-10.00pm
Session 16: Wednesday 7 June 7.00pm-8.30pm
Session 17: Wednesday 7 June 8.30pm-10.00pm

Block teaching class format
Lectures and group discussion of selected problems from the text

The topics to be covered in each session are outlined in the table under Unit structure above. The Session Guide at the end of this unit outline provides detailed information and identifies the objectives of each session and the main activities to be undertaken. Reference is made to the text Bazley, Hancock, Berry and Jarvis (BHBJ) and to articles that have been assigned for reading. Copies of these articles are included in your file. To properly prepare for classes you should:

• read the assigned material in the text prior to coming to class;

• answer the review questions at the end of each chapter prior to coming to class - suggested solutions to these review questions are available at the Quickplace web site. The review questions cover the basic concepts. It is extremely important that you understand these basic concepts - anything that is unclear can be brought up in class discussions; and

• read any additional articles/readings assigned;

The Tutorial Session Outlines provide the topics to be reviewed in each tutorial. At the end of each chapter in the text are: review questions and problems for discussion and analysis. The Tutorial Outline lists the problems from the text that you should prepare answers to prior to the tutorial. To properly prepare for the tutorials you should:

• review the assigned chapters from the text;

• review your lecture notes from the relevant block teaching session;

• prepare answers to the tutorial questions listed for discussion;

• review any additional articles/readings assigned; and

• make a note of any questions you wish to ask your tutor.

Attendance

Participation in class, whether it be listening to a lecture or getting involved 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. It is, therefore, important that you attend classes (and be on time).

More formally, the University 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.

A participation mark of 10% will be awarded based on your participation in classes.
Detailed Session Outlines:
SESSION 1

TOPIC TITLE: Introduction to Accounting

TOPIC OBJECTIVES:

When we have completed this Topic, 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, QUESTION 1 (AND SO ON). SOLUTIONS TO THESE PROBLEMS WILL BE AVAILABLE AT THE QUICKPLACE WEB SITE AT THE RELEVANT TOPIC NUMBER.
TOPIC TITLE: The Financial Reporting Framework

TOPIC OBJECTIVES:

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

- Identify the factors that influence the preparation of financial statements.
- Explain the current arrangements for standard setting in Singapore.
- 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.
SESSION 2

TOPIC TITLE: The role of the auditor and the audit committee in Corporate Governance

TOPIC OBJECTIVES:
When we have completed this Topic, 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:
  o Problem 13.1.
  o Problem 13.9.
TOPIC TITLE: Balance sheet and introduction to the worksheet

TOPIC OBJECTIVES:
When we have completed this Topic, 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
SESSION 3

TOPIC TITLE: Profit and loss statement and statement of changes in equity

TOPIC OBJECTIVES:

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

• Discuss the importance of the profit and loss 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 P&L statement.
• Identify and explain a statement of changes in equity.

REQUIRED READING:

Chapter 5: Bazley, Hancock, et. al. (2004).
Extract of Chapter 5 for 6th edition of BHJB

PREPARATION FOR CLASS:

• Complete required reading
• Complete the following questions from the text:
  o Problem 5.1.
  o Problem 5.4.
  o Problem 5.11.
SESSION 4

TOPIC TITLE: Debtors, Creditors, Prepayments and Accruals

TOPIC OBJECTIVES:

When we have completed this Topic, 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: Non Current Assets and Depreciation

TOPIC OBJECTIVES:

When we have completed this Topic, 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.
SESSION 5

A Review of the purpose of accounting and who are the users
B Review of the financial reporting framework

Objectives
The session should reinforce the following:
- The purpose of accounting and who are the users
- Definitions of Assets, Liabilities, Equity, Income and Expenses
- The recognition of these items in the financial statements

Preparation
- Reread and familiarise yourself with Contemporary Accounting, Chapters 1 and 2
- Review lecture notes from Session 1 and make notes of any problem areas.
- Prepare solutions to the following problems and cases from BHBJ:
  - Chapter 1: Problems 2, 7 and 10
  - Chapter 2: Problems 5, 6 and 7

Session Activities
- Tutor leads a discussion on issues relating to the purpose of accounting and who are the users
- Tutor leads a discussion on issues relating to the definition and recognition of assets, liabilities, equity, income and expenses.
- The class goes through suggested solutions to the assigned problems. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
- Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Rework problems where your answers were incorrect. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
- Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 6

A  Review corporate governance and the audit
B  Review of Balance Sheet and the work sheet

Objectives
The session should reinforce the following:
- The meaning of corporate governance.
- The role of the audit
- The Accounting Equation and the nature of a Balance Sheet.
- Balance Sheet preparation and presentation
- Preparing financial statements from worksheet calculations.

Preparation
- Reread and familiarise yourself with *Contemporary Accounting*, Chapters 4, 6 and 13
- Review lecture notes from Session 2 and make notes of any problem areas.
- Prepare solutions to the following problems and cases from BHBJ:
  - Chapter 13: Problems 8, 10, Ethics case
  - Chapter 4: Problems 5, 17, 18
  - Chapter 6, problem 4

Session Activities
- Tutor leads a discussion on issues relating to corporate governance, the audit, the accounting equation and the balance sheet, and answers student questions
- The class goes through suggested solutions to the assigned problems. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
- Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
- Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 7

Topic A. Review of the profit and loss statement

Objectives
The session should reinforce the following:
• The essence of accrual accounting and the nature of a P&L Statement.
• When revenue should be recognised and how to match expenses with revenue.
• P&L Statement preparation and presentation

Preparation
• Reread and familiarise yourself with Contemporary Accounting, Chapter 5
• Review lecture notes from Session 3 and make notes of any problem areas.
• Prepare solutions to the following problems and cases from BHBJ:
  Chapter 5: Problems 4, 11, 17, 18

Session Activities
• Tutor reviews the P&L statement, revenue recognition and the matching concept
• The class goes through suggested solutions to the assigned problems. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
• Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
• Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 8

A. Review of accruals and prepayments
B. Review of non-current assets and depreciation

Objectives
The session should reinforce the following:
- The need for an estimate of bad debts.
- The definitions of prepayments, accruals, debtors and creditors.
- The need for provisional estimates of expenses.
- The reason for depreciating non-current assets.
- Different methods of calculating depreciation and their impact on profit and loss and balance sheet figures.

Preparation
- Reread and familiarise yourself with Contemporary Accounting, Chapters 8 and 9
- Review lecture notes from Session 4 and make notes of any problem areas.
- Prepare solutions to the following problems and cases from BHBJ:
  - Chapter 8 Problems 9, 15, 18
  - Chapter 9: Problems 5, 7, 12, 14 and 18

Session Activities
- Tutor leads a discussion on issues relating to accruals and prepayments. Tutor also leads discussion on depreciation and amortisation and the resultant effects on profit calculations and reported wealth and answers student questions.

Session Review and Follow-up Activities
- Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
- Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 9

TOPIC TITLE: Cash Flow Statements

TOPIC OBJECTIVES:

When we have completed this Topic, 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 pages 269 - 282: Bazley, Hancock, et. al. (2004).

PREPARATION FOR CLASS:

• Complete required reading
• Complete the following questions from the text:
  o Problem 12.5.
  o Problem 12.8.
  o Problem 12.16.
SESSION 10

TOPIC TITLE: Accounting for interests in other entities and the tax environment

TOPIC OBJECTIVES:
When we have completed this Topic, 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: Bazley, Hancock, et. al. (2004), pages 282 to 290.

PREPARATION FOR CLASS:

- Complete required reading
- Complete the following questions from the text:
  - Problem 12.1.
SESSION 11

TOPIC TITLE: Financial statement analysis

TOPIC OBJECTIVES:

When we have completed this Topic, 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:
  
  o Problem 14.1.
  o Problem 14.3.
  o Problem 14.10.

- Complete additional questions to be distributed in class.
SESSION 12

TOPIC TITLE: 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).
Chapter 17: Bazley, Hancock, et. al. (2004), pages 398 – 416.

PREPARATION FOR CLASS:

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

TOPIC OBJECTIVES:

When we have completed this Topic, 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:
  
  o Problem 18.1.
  o Problem 18.4.
  o Problem 18.9.
SESSION 13

TOPIC TITLE: Accounting for decision-making: with and without resource constraints

TOPIC OBJECTIVES:

When we have completed this topic 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: The role of budgets

TOPIC OBJECTIVES:

When we have completed this Topic, you will be able to:
• Discuss the reasons for budgets.
• Explain the various steps in the budget process.
• Illustrate the behavioural dimension to budgets.

REQUIRED READING:

Chapter 20: Bazley, Hancock, et. al. (2004), pages 490 – 494.

PREPARATION FOR CLASS:

• Complete the required reading
• Complete the following questions from the text:
  o Review Question 20.2.
  o Review Question 20.5.
SESSION 14

A. Review of Statement of Cash Flows
B. Accounting for economic entities and taxation

Objectives
The session should reinforce the following:
- The rationale behind requiring a Statement of Cash Flows.
- The uses of a Statement of Cash Flows.
- The difference between Operating, Investing and Financing cash flows.
- Analysis of a Statement of Cash Flows.
- Define and understand the reasons for consolidated accounts
- Identify why it is necessary to eliminate investments in subsidiary and inter-entity transactions when preparing consolidated accounts
- Explain the terms current and deferred taxes

Preparation
- Reread and familiarise yourself with Contemporary Accounting, Chapters 12
- Review lecture notes from Sessions 9 and 10 and make notes of any problem areas.
- Prepare solutions to the following problems from BHBJ:
  Chapter 12 Problems 4, 11, 12, 16, 19

Session Activities
- Tutor leads a discussion on issues relating to the nature of a Statement of Cash Flows, accounting for economic entities and tax and answers student questions.
- The class goes through suggested solutions to the assigned problems. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
- Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
- Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 15

A. Review of Financial Statement Analysis

Objectives
The session should reinforce the following:
• The main methods of Financial Statement Analysis.
• Differences between cross-sectional, time series, and residual analysis.
• The common techniques used in financial statement analysis: ratio analysis, common size statements, trend statements, and variability measures.
• The application of common techniques of analysis to a set of financial data.
• The potential problems with, and potential limitations of, ratio analysis and other forms of financial analysis.

Preparation
• Reread and familiarise yourself with Contemporary Accounting, Chapters 14
• Review lecture notes from Session 11 and make notes of any problem areas.
• Prepare solutions to the following problems and cases from BHBJ:
  Chapter 14: Problems 3,5,8,10,14 and ethics case.

Session Activities
• Tutor leads a discussion on issues relating to Financial Statement Analysis and answers student questions.
• The class goes through suggested solutions to the assigned problems and cases. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
• Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
• Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 16

A. Review of cost concepts
B. Review of Cost Volume Profit Relationships

Objectives
The session should reinforce the following:
• The distinction between managerial from financial accounting
• The different cost concepts
• The purpose and use of CVP analysis.
• Calculating break-even points and undertaking simple CVP analysis.

Preparation
• Reread and familiarise yourself with Contemporary Accounting, Chapters 15, 17 (pp 399-402) and 18.
• Review lecture notes from Sessions 12 and make notes of any problem areas.
• Prepare solutions to the following problems and cases from BHBJ:
  Chapter 15: Problem 10
  Chapter 17 Problems 7
  Chapter 18 Problems 7, 10, 13 and 15

Session Activities
• Tutor leads a discussion on issues relating to basic cost concepts and CVP analysis and answers student questions.
• The class goes through suggested solutions to the assigned problems. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.

Session Review and Follow-up Activities
• Review your prepared solutions to the homework problems and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
• Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
SESSION 17

A. Review of decision making with and without resource constraints
B. Review of budgets

Objectives
The session should reinforce the following:
- The meaning and significance of relevant costs
- How to make decisions like make or buy using relevant costs.
- The problems with budgets

Preparation
- Reread and familiarise yourself with Contemporary Accounting, Chapters 19, and 20
- Review lecture notes from Sessions 13 and make notes of any problem areas.
- Prepare solutions to the following problems and cases from BHBJ:
  Chapter 19 Problems 2, 5, 11, 13 and 15
  Chapter 20 Problem 2

Session Activities
- Tutor leads a discussion on issues relating to relevant costs and decision making with and without resource constraints and answers student questions. Students take notes and ask questions for clarification. Tutor leads a discussion about the use of budgets. Students take notes and ask questions for clarification.
- The class goes through suggested solutions to the assigned problems and cases. It would be a good idea to make any changes to your prepared solutions in a different coloured pen/pencil.
- Any time remaining is spent discussing the forthcoming final examination.

Session Review and Follow-up Activities
- Review your prepared solutions to the homework problems and cases and any changes made to them as a result of the tutorial. Make sure you understand the reason for any errors you made. Re-work problems where your answer was significantly in error. If you were unable to complete a question prior to the tutorial you should attempt it now without looking at the suggested solution.
- Review all the materials in relation to the topics covered. Identify and write down any questions which you might wish to raise with the lecturer/tutor.
ASSIGNMENT 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 SGT and benchmarks

FUNDAMENTAL ANALYSIS /35
Organisation Prospects – what factors are important for the future success of SGT?
What suggestions do you have to improve the financial performance and position of SGT?
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.
GROUP ASSIGNMENT PEER EVALUATION FORM
(Please submit to the lecturer in a sealed envelope. If no form is returned it will be assumed that an
equal ranking applies to all group members.)

Name
Name of Group

Instructions:
Rate each of your group’s members, excluding yourself, on each of the items listed below and as objectively as possible. First, write the names of your group members. Then, for each question, write the number that is most applicable to each of the members, as per the scale indicated immediately below. If questions are not applicable please write N/A.

<table>
<thead>
<tr>
<th>GROUP MEMBER NAMES</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of attendance at group meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in terms of defining the project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in researching the project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in providing/findng and evaluating Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in drafting the final report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taking care of getting the typing done</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taking care of proof reading &amp; attention to details of the report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution in terms of ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall contribution to the group project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If you had to allocate among your group members a total of 100 points, how much would each person get?