Subject Outline

ACCY974
ACCOUNTING REGULATION
Wollongong

6 Credit Points
Spring Session 2004

Subject Co-ordinator: Sandra Chapple
Building 40 Room 301
Phone: 4221 4006
Email: schapple@uow.edu.au

School of Accounting and Finance
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Subject details

Description
An in-depth study of the regulation of accounting practice and procedures, the accounting profession, and financial reporting in both the private and public sectors. This will include an examination of:

• theories of regulation and of the public interest;
• the role of government, the profession and other interests in the regulatory process,
• consequences, efficiency and effectiveness of accounting regulation (including regulatory failure);
• the impact of accounting theory on standard setting;
• an historical overview of corporate regulation.

The focus will be on the Australian financial reporting framework, however students are encouraged to consider the regulatory regimes of other countries and to adopt a multi-disciplinary approach to the examination of relevant theories.

Objectives
Completion of this subject should enable students to:

1. Appraise the historical arguments for the imposition of regulation.
2. Identify the various theories of regulation and evaluate their strengths and weaknesses.
3. Discuss and illustrate the impact of the various theories of regulation on the legislative and standard setting processes.
4. Critically evaluate the various interests and conflicts of interest in the formulation of regulatory policy.
5. Critically evaluate the effectiveness of the current regulatory framework in Australia.
Method of delivery

The subject will be delivered by way of one 2 hour lecture /tutorial per week. There are no separate tutorial classes. Brief lecture notes will be provided on WebCT and students are expected to review these prior to attending the class. Students are also expected to prepare answers to weekly questions and to actively participate in discussion and group activities.

WebCT

The website for this subject will include:

Lecture Notes, Recommended Readings, Weekly Questions and Other information as necessary

It is the student’s responsibility to access this site on a regular basis. Students should also be advised to regularly review their UOW email account for any correspondence from the subject co-ordinator.

Study time

According to Course Rule 003, Interpretation Point 2(t), each credit point for a single session subject has a value of about 2 hours per week. As this is a 6 credit point subject, students should devote approximately 12 hours per week in attendance at and preparation for weekly classes and preparation of nominated assessment tasks.

Lecture/tutorial time

Tuesday 1.30pm to 3.30pm

Room 40.126
**Readings**

There are no specific texts prescribed for this subject. However, the following books are available in the library (some in closed reserve) and may be of use in preparation for weekly questions, critique and essay:

<table>
<thead>
<tr>
<th>Call Number</th>
<th>Author(s)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>338.710994/1</td>
<td>Sykes, T. [1994]</td>
<td>The Bold Riders: behind Australia’s corporate collapses, Allen Unwin, St Leonards, NSW</td>
</tr>
<tr>
<td>338.994/38</td>
<td>Tomasic, R. ed. [1984]</td>
<td>Business Regulation in Australia, CCH Australia, North Ryde, NSW</td>
</tr>
</tbody>
</table>

A list of recommended readings will also be provided on WebCT. Wide reading is necessary for the successful completion of this subject, and students are expected to select relevant material from the readings and other sources in preparing for weekly questions and assessment tasks.
Contacts

Subject Coordinator

Sandra Chapple
School of Accounting and Finance
Building No 40, Room No 301
Telephone 61 2 4221 4006
Email schapple@uow.edu.au

Consultation times

Monday 1.30pm to 2.30pm
Tuesday 1.30pm to 2.30pm

Student administration

Telephone 61 2 4221 3938
Facsimile 61 2 4221 4322
Email studenq@uow.edu.au
Student OnLine Services http://www.uow.edu.au/student/sols

Library

Telephone 61 2 4221 3548
Web http://www-library.uow.edu.au
Assessment Guidelines

General Criteria

<table>
<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
<th>Return date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialogue</td>
<td>20%</td>
<td>24/8/04</td>
<td>14/9/04</td>
</tr>
<tr>
<td>Essay</td>
<td>20%</td>
<td>21/9/04</td>
<td>12/10/04</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exam</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To pass this subject, students must:

- submit all outstanding work by 5.00pm on 22/10/04 (last day of teaching session)
- attend the final examination and obtain a mark of at least 50%
- obtain a mark of 50% overall

Performance grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
</tr>
</tbody>
</table>

Special Consideration

University policy requires students who, through serious illness or other circumstances beyond their control, are unable to attend an examination or meet any of the other course requirements, to submit medical or other documented evidence as soon as possible after the event to support their request for special consideration. This policy may be accessed at:

The evidence should be submitted to Student Inquiries Office. Students should only
Supplementary examinations
Students should note that supplementary examinations are not an automatic entitlement on the submission of a request for special consideration. In cases where the decision is made to allow a supplementary examination, students will usually be required to take the examination at a date to be determined by the School within three weeks of the end of the formal examination period. Students will be notified of the exam at least seven days beforehand. It is every student's responsibility that the University has a correct record of your current address.

Full details of the University’s policy regarding special consideration are available on the web at [http://www.uow.edu.au/handbook/courserules/specialconsideration.html](http://www.uow.edu.au/handbook/courserules/specialconsideration.html) students should familiarise themselves with these policies.

Disability Policy
If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the Subject Coordinator. Students with a disability should also register with the University of Wollongong Disabilities Unit. More details can be found on the web at [http://www.uow.edu.au/student/services/disabl.html](http://www.uow.edu.au/student/services/disabl.html)

Non Discriminatory Language
As part of its Equal Opportunity/Affirmative Action initiatives, the University of Wollongong endorses a policy of non-discriminatory language practice and presentation in all academic and administrative activities of the University. The policy is available at [http://staff.uow.edu.au/eeo/nondiscrimlanguage.html](http://staff.uow.edu.au/eeo/nondiscrimlanguage.html)

Receipt of Assessment Tasks
It is your responsibility to ensure that you have a receipt signed by your lecturer/tutor, acknowledging submission of written work.
Assessment Tasks

Task 1: Dialogue

Due date: 24/8/04
Return date: 14/9/04
Weighting: 20%
Length: 1500 words

Task details

Howieson and Langfield-Smith (2003, p19) raise three concerns they have with decision of the Australian Financial Reporting Council (FRC) to adopt the standards of the International Accounting Standards Board as from 1/1/05, namely:

1. the timing of adoption
2. the propriety of the decision
3. whether wholesale adoption is in Australia’s best interests.

Select one of the concerns raised in the paper. Write a dialogue or debate between two people, evaluating the concern presented and concluding with an assessment of the authors’ opinion. Your dialogue may include a background to the FRC decision and should acknowledge recent developments in this area.


Requirements

This task may be done in groups of two people. In order to develop your arguments you may refer to academic or professional journals, or various forms of media (newspaper, business magazines). You should include a bibliography prepared in accordance with the Harvard system (details available on the UOW library website)
Learning objectives

This task is designed to develop your skills of analysis and critique, as well to encourage you to be concise and articulate in your written expression. The task should develop and refine those skills required in a group structure, as well as expose you to the benefits of the group dynamic. The task will also develop a greater understanding of contemporary issues in accounting regulation in its historical, political, social and economic context.

Assessment Criteria

The criteria listed below will be used to assess your work.

Structure & Presentation

To what extent did the structure and presentation of your dialogue enhance the logic and flow of your arguments?

Content

How relevant was the content of your dialogue in evaluating the concern raised by the authors? Did you effectively interpret and communicate the views of the authors’ and provide a contrary point of view?

How logical and coherent were the arguments you used to establish and support your conclusion?

Style

How did your writing style enhance the strength of your arguments? Was your work fluent and readable?

Research

To what extent does your work indicate a thorough research effort? Have you included a bibliography in the prescribed form?

Modified from Clanchy & Ballard (Essay Writing for Students, 1981)
Task 2: ESSAY

Due date: 21/9/04
Return date: 12/10/04
Weighting: 20%
Length: 2000 words

Essay Topic

Australian companies are faced with a proliferation of complex accounting regulations.

Discuss this statement with reference to:

- the necessity for such a regulatory framework,
- the efficiency and effectiveness of accounting regulation,
- recent regulatory amendments arising from the Corporate Law Economic Reform Program (CLERP), and
- the decision by the Financial Reporting Council (FRC) to adopt International Financial Reporting Standards as from the 1/1/05.

Requirements

Your essay should be in academically acceptable form including a synopsis and a list of references. Referencing should be in accordance with the Harvard style (refer UOW Library website http://www.library.uow.edu.au/helptrainingguides/citing.html).

References to at least 8 academic journals should be evidenced.

Learning Objectives

The essay is designed to encourage evaluation of the current state of accounting regulation in Australia. It will require you to place contemporary issues in the historical and political context of accounting regulation in Australia, as well as link these issues to different theoretical perspectives.

A thorough understanding and appreciation of topics covered in weeks 1 to 9 is essential. The essay will provide a means of synthesising your knowledge and
Assessment Criteria/Marking Guidelines

The following criteria will be used in assessing essays:

Synopsis
Clanchy & Ballard (Essay Writing for Students, 1981) recommend that the synopsis should cover:
1. The outline of your main arguments
2. The general conclusions you have reached.
The synopsis should be 5-10% of the length of the essay itself.

Structure & Presentation
To what extent did the structure and presentation of your essay enhance the logic, coherence and flow of your arguments?

Content
How relevant was the content of your essay in your answer to the question?
How logical and coherent were the arguments you used to establish and support your point of view?

Style
How did your writing style, eg. grammar, usage, language, sentence construction and length add to/detract from the flow of the essay? Any suggestions for improving the readability of you written work.

Referencing
Did your references support your arguments? Did you follow the prescribed method?
Task 3: Class Participation

Date: Weeks 2 to 13
Weighting: 10%

Task details

This requires students to research and prepare written answers to weekly questions, in addition to active participation in class discussion. A record will be maintained of student’s completion of weekly questions.

Task 4: Examination

Date: University examination period
Weighting: 50%
Length: 3 hours 15 minutes

Examination details

The final exam will comprise 4 essay style questions of equal value.
Submission Requirements

Submission

Assignment cover: You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your assignment (available at the following web address: http://www.uow.edu.au/commerce/forms.htm

The declaration on this cover sheet must be signed.

All written work must be submitted to the subject coordinator, in person on the due date. The work will be returned to students on the dates advised during class times. Faxed, emailed or mailed written work will not be marked and will not be considered as having been submitted for purposes of completion of the subject.

Acknowledgment/Plagiarism

Plagiarism is not acceptable and may result in the imposition of severe penalties. The University provides clear guidelines on its attitude towards plagiarism and how to avoid unintentional plagiarism in the Postgraduate University Calendar, located on the web at http://www.uow.edu.au/handbook/courserules/plagiarism.html

Students are advised to read these carefully. If any doubts remain as to what constitutes plagiarism, students should discuss the matter with the subject co-ordinator

Format

Written work should be typed using double-line spacing, using at least 12 point font and allowing a 5cm margin.

Extensions

Extensions may be granted if circumstances beyond the control of the student interfere with their ability to complete the task on time. These will only be granted by the subject co-ordinator and must be applied for before the due date.

Please Note: Extensions will not be granted after the due date.

Late submission
### SCHEDULE of TOPICS

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20 July</td>
<td>Overview of subject</td>
</tr>
<tr>
<td>2</td>
<td>27 July</td>
<td>Introduction: Nature of Regulation</td>
</tr>
</tbody>
</table>

Why is regulation necessary? Regulated markets vs unregulated markets.
The nature of regulation.
Forms of corporate regulation (eg. economic, social, environmental, anti-discrimination).
Sources of corporate regulation (government, professional bodies, ASX, International Accounting Standards Board)

| 3    | 3 Aug  | Theories of Regulation                                               |

Theories of regulation (eg. public interest theory, interest group theory)

| 4    | 10 Aug | NO CLASS THIS WEEK                                                   |

| 5    | 17 Aug | Accounting Regulation and the State (pre 2000)                       |

The role of government in corporate regulation in Australia.

History of government regulatory initiatives eg Federal and State legislation, ASIC, ASC, NCSC, State CAC’s

| 6    | 24 Aug | ASSESSMENT TASK 1 DUE                                                |

Accounting Regulation and the Accountancy Profession (pre 2000)

The role of the accounting profession in accounting regulation.

| 7    | 31 Aug | Corporate Law Economic Reform Program (CLERP) and International      |

Financial Reporting Standards (IFRS’s)

Overview of CLERP and consideration of outcomes.

The role of the Financial Reporting Council (FRC) and the Australian Accounting Standards Board (AASB)
8  7 Sept  Political Economy of Regulation
Examination of the social, political and economic context of accounting regulation. Consideration of the interests and conflicts of interest in the regulatory process.

9  14 Sept  Regulatory Efficiency and Effectiveness

10  21 Oct  ASSESSMENT TASK 2  DUE
Ethics of Regulation / Regulators
The role of ethics in the regulatory process. What are ethical responsibilities of individuals (professionals, accountants, corporate managers, legislators) involved with corporate financial reporting?

RECESS: 1 week, 25 September to 3 October.

11  5 Oct  The Future of Accounting Regulation / New Disclosures
Future trends in corporate financial reporting (eg. Corporate social reporting, value added reporting, environmental reporting, human resource accounting)? Should these new forms of reporting be regulated?

12  12 Oct  Financial Reporting in the Australian Public Sector
Application of private sector principles to public sector entities

13  19 Oct  Summary and Exam Review