Subject Outline

ACCY 961 Professional Practice - Accounting
Wollongong

6 credit Points
Autumn Session 2004

Dr. Jane Andrew
(02) 42214009

School of Accounting and Finance

Disclaimer
The School attempts to ensure that the information herein is up to date at the
time of production, however we reserve the right to amend without notice in
response to changing circumstances. All grades may be scaled.
Description
ACCY 961 consolidates, and builds upon, the skills and concepts acquired in ACCY 901. The subject begins with an overview of the current emerging influences on accounting practice for future professionals. These influences are recent to accounting and have resulted in some changes for accounting practice in Australia. We will examine, in particular, the project of international harmonisation and its impact on several accounting standards. The application of those standards will also be examined in depth. Since the application of accounting standards requires some consideration of ethical professional practice, this will be covered specifically. Where appropriate, the social, economic, and legal implications of professional practice will be examined.

Objectives
After having successfully completed this subject, students will be able to:
1. evaluate a number of current issues impacting on the practice of financial accounting in Australia, such as the international harmonisation project;
2. critically evaluate the ethical and social implications of accounting practice;
3. be able to explain and apply the accounting standards for:
   i. the preparation of financial reports,
   ii. leases,
   iii. income taxes;
4. analyse and discuss the application of revised accounting standards by companies, to their financial reports;
5. explain the accounting profession’s response to accounting for social and environmental impacts.

WebCT
All students can access subject information by logging on to the ACCY 961 WebCT site. The link to this can be found at www.uow.edu.au/LOL. All students should check the site regularly for announcements that may be made by the course co-ordinator.

On this site you will find:
1. Lecture notes;
2. Tutorial solutions after the tutorial;
3. An electronic copy of set journal articles and additional textbook chapters;
4. Special questions
5. Subject outline
ACCY 961 is a 6 credit point subject. According to University of Wollongong Course Rule 003 (2(t)), each credit point has an implied workload of 28 hours for the entire subject. Thus, in this session you should spend 168 hours, or **13 hours per week**, on this subject (ie, 3 hours of class, plus 10 hours outside of class, per week). Attendance is required for at least ten tutorials, and a roll recording your attendance at tutorial classes will be kept for this purpose.

**Method of delivery**

Students will attend a 2-hour lecture on Monday of every week, for 13 weeks. During the lecture, students are expected to take notes, listen and participate in discussion (where relevant). **All lecture material is examinable.**

Students will also attend a 1-hour tutorial every week, for 12 weeks, starting in Week 2. Students are required to enrol in their tutorial online via Student On Line Services (SOLS) [http://www.uow.edu.au/student/index.html](http://www.uow.edu.au/student/index.html).

Students are expected to attempt all tutorial questions before they attend class, and discuss their answers during class. The set questions are listed in the ACCY 961 Schedule on page 15. In the Schedule, **Special Questions** are questions that the co-ordinator, Dr. Jane Andrew, will be available on WebCT.

In groups of up to 5, students will also be required to present a seminar for 45 minutes in week 8, 10 or 12. The groups and time will be organised in the tutorial of week 3.

The full titles for all readings are listed on page 4. **All readings and tutorial questions are examinable.**

**Major Text**

References can be obtained by contacting the UniShop. The following textbooks (selected chapters) are compulsory reading:

Additional Compulsory Reading

The following chapters and articles are available as E-Readings via WebCT or via the UOW library website.

Chapters:

Articles:
The following articles can be accessed via WebCT and they form part of the compulsory reading in this subject.

**Article 1:** Haswell, S. and McKinnon, J. (2003), “IASB Standards for Australia by 2005: Catapult or Trojan Horse?”, *Australia Accounting Review*.


NOTE: You may purchase the Deegan (A) textbook from the Uni Bookshop or make use of a copy from the Library Reserve Collection. Electronic versions of the chapters from Deegan (B), Horngren *et al* (2004) and LEO (2001) will be available via WebCT and as e-readings through the UOW Library website. An electronic version of articles 1-4 will also be accessible via WebCT and as e-readings through the UOW UOW Library website. Hard copies will NOT be made available by the co-ordinator.

THIS MEANS all students will need to access the WebCT site to download the compulsory readings for each week, and all readings are examinable.
Contacts

Subject Coordinator
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Email jandrew@uow.edu.au

Co-lecturer
Ms. Lee Moerman
School of Accounting and Finance
Building No (40), Room No (302)
Telephone 61 2 4221 (5575)
Email leem@uow.edu.au

Consultation Times
To be advised.

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

Purchasing of books (Unishop)
Telephone 61 2 4221 8050
Facsimile 61 2 4221 8055
Email unishop@uow.edu.au
Assessment Guidelines

**Task Weighting**

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<th>Task</th>
<th>Weighting</th>
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<td>Mid Session Exam</td>
<td>20%</td>
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<tr>
<td>Group Project:</td>
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<tr>
<td>Part A: Seminar Presentation</td>
<td>15%</td>
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<tr>
<td>Part B: Annotated Bibliography</td>
<td>15%</td>
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<tr>
<td>Final Exam</td>
<td>50%</td>
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<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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</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.


**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.

**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).
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

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.

Performance Grades

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

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

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. Students in this subject must use the Accounting, Auditing and Accountability Journal system of referencing.
Assessment Tasks

Task 1: Mid Session Exam
Due date: 12.35pm to 1.25pm, Monday 5th April, 2004
Return date: Monday 19th April, 2004
Weighting: 20%
Length: 30 multiple choice questions in 50 minutes
Place: 20.3

Assignment details
The mid-session exam will run for 50 minutes only. If you are late, you will not be given extra time (i.e. the exam will be stopped at 1.25pm). The exam will consist of 30 multiple-choice questions. It may cover any topic from lectures, tutorials, readings and questions that have been covered up to, and including, Week 6.

Task 2: Group Project
Part A Seminar Presentation
Due Date: Week 8, 10 or 12
Return Date: The following week
Length: 45 minutes
Weighting: 15%

Part B Annotated Bibliography
Due Date: Week 8, 10 or 12
Return Date: The following week
Length: 2 article per group member
Maximum of 200 words per article.
Weighting: 15%

General Guidelines
The Group Project must be completed by the due date established in week 3. This will be either week 8, 10 or 12. You must conduct your seminar within your tutorial time and submit the annotated bibliography at the end of class. Only the co-ordinator will consider any extensions if they are requested BEFORE the due date. A failure to present will lead to a mark of zero for the individual who does not attend. Late submission of the group annotated bibliography will incur a penalty of 1 mark a day. The group annotated bibliography will not be accepted if it is mailed, emailed or faxed.
PART A: Seminar Presentation

Group size and rules
Must be a group of up to 5 students, determined no later than Week 3, March 8, 2004. Students in the group need to establish a way in which they can contact each other. Students must decide: when to meet and how many meetings and the responsibilities to each other.

Discussion of Group Project
The Group Project will be discussed by the course co-ordinator in the Week 4 Lecture.

Additional Meeting Time
There is a specific time set aside for work on the group project. This ensures that students can be together in one room working on the project (in addition to outside class time). This will take place during the Week 7 Tutorial. During this week students are encouraged to use the tutorial time and/or room to meet and discuss their project. All students are expected to come to the tutorial with contributions towards the group’s project. Staff will not attend these meetings as the time has been allocated for you to work together on your project.

Requirements
Each group will present a seminar on one of the set topics listed below. This seminar will need to be 45 minutes long and must be interactive. It is appropriate to give an introduction and a conclusion. It is also important to remember that critical analysis of the topic will lead to the best results. Students are required to ensure that they cover the main issues that are relevant to their topic, and that the entire class participates in the seminar in some way.

You are encouraged to use creative ways to deliver your material. These may include discussing newspaper articles; organising debates; small group discussions; using parts of movies or documentaries.

Any group who reads directly from notes without engaging the class will be significantly penalised.

Learning Objectives
Students develop presentation skills. This requires the group to work as a team, to prepare adequately, to plan, rehearse and manage time appropriately. The topic will be studied extensively and will help to develop a student’s analytical skill.

Assessment Criteria
The seminar will be assessed in the following way:
- Illustrate that you are well prepared;
- Group appears cohesive and presentation flows logically;
- Demonstrated understanding of the topic;
- Evidence of extensive reading and research;
- Ability to link your specific topic to other topics discussed in previous weeks;
- Innovative and creative delivery of ideas;
- Achieved participation from tutorial members.

As this is a group project, each member of the group will receive the same mark.
**Topic A: International Harmonisation of Accounting Standards – Week 8**

This group will need to critically evaluate Australia’s approach to the international accounting standard harmonisation process. In order to do this you will need to:

1. Provide background information explaining the role Australia has played in the harmonisation process and some of possible reasons for Australia’s position.
2. Discuss the Australian business community and the accounting profession response to the harmonisation process. Utilise examples of comments, opinions and analysis offered by these groups to defend or challenge the adoption.
3. Select a listed Australian company in the pharmaceutical industry and consider the impact of the new intangibles standard, IAS 38 (available on WebCT), on this company. (Go to [www.asx.com.au](http://www.asx.com.au) and select a listed company that falls in the category of Pharmaceuticals & Biotechnology). Things to consider:
   a. Outline the impact of the new standard and highlight how it differs from the current standard.
   b. Indicate how the pharmaceutical industry has responded to the new standard and why it may impact this industry in particular.
   c. Looking at the financial report issued by your company, identify some of the impacts the standard will have on the financial position of the organisation (you do not have to undertake exact calculations, but should indicate what aspects of the financials will be impacted and in what way).

**Topic B: Financial Statement Analysis – Week10**

This group will need to critically evaluate the usefulness of financial statements to users of this information. To do this you need to:

1. Outline the qualitative characteristics of financial information and evaluate how easy it is to meet these objectives.
2. Identify competing pressures on preparers of financial information (managements expectations, profession ethics, shareholder requirements), and how these pressures may affect the appearance of a company’s financial position.
3. Considering the tools for analysis (ratios) that are available to analyse the information, which tools are most widely used by users and why?
4. Select one high profile case of corporate failure in which accounting has been implicated and:
   a. Outline the case to the group and explain how the appearance of the firm’s financial statements misled users.
   b. Discuss whether the widely used tools for analysis (ratios) would have helped identify these problems. If not, why?
   c. Explain regulatory responses to these accounting failures and discuss whether these will protect users in the future. Have they gone far enough?
Topic C: Social and Environmental Accounting – Week 12

This group will be required to critically evaluate the role of social and environmental accounting information in corporate reporting. To do this you will need to:

1. Discuss the history of social and environmental accounting. In your discussion, consider how and why it has developed.

2. Analyse and explain competing perspectives on social and environmental accounting within this literature. From your analysis, explain how you think it is impacting on corporate behaviour.

3. Compare the Australian position on social and environmental reporting to that of the rest of the world.

4. Select one Australian mining/minerals company (For example, BHPBilliton; Rio Tinto; Energy Resources Australia) and consider its ‘social and environment report’ (sometimes called the ‘environment, health and safety report’).
   a. How has this report changed over time (try to choose a company who’s website makes available previous reports to enable comparison)
   b. Does the report provide the kind of information that users would consider useful?
   c. Does the report present a different impression of the company than that portrayed in the media? If yes, which do you believe?
   d. How has the company reported ‘bad news’?
PART B: Annotated Bibliography

Requirements (An example will be discussed in the Lecture Week 6)

Each group is required to submit an annotated bibliography for 2 articles per group member. For example, a group of 4 members submits annotation for 8 articles.

Each annotation must be no more than 200 words each.

Each annotation must include:
1. A description and assessment (if possible) of the author and source of publication.
2. A critical evaluation of the article, to determine its accuracy, usefulness, viewpoint and strengths/weaknesses.
3. Indicate how the article linked to your presentation.
4. Clearly identify the strengths and weaknesses of the arguments in the article.

Learning Objectives

On completion of the assignment, students should have developed stronger research skills. In particular, students will be required to critically analyse written material to determine its accuracy, usefulness, viewpoint and strengths/weaknesses. Succinct presentation of this insight is also required.

Assessment Criteria

As this is a group project each member of the group will receive the same mark.

Each group will be assessed on:
- The appropriateness of the research articles selected to include in the bibliography;
- The diversity of sources of material and an illustrated understanding of how the source of the publication may affect the content and/or usefulness of the material;
- The quality of the analysis of the article provided;
- The group’s ability to meet presentation guidelines.

Structure and presentation requirements
- You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your Annotated Bibliography. (Available via WebCT). All group members must sign the cover sheet declaration.
- The Annotated Bibliography must be no more than 200 words per article; and each group must analyse 2 articles per group member.
- The Annotated Bibliography must be word-processed using 12-point font, double-line spacing, and a 3cm left and 3cm right margin.
- The referencing conventions of the Accounting, Auditing and Accountability Journal should be used (Available via WebCT).
Task 3: Examination
Date: University examination period
Weighting: 50%
Length: (3) hours (10) minutes

Examination details
Each student is required to achieve a result of 50% or more in the final examination in order to pass the subject. This exam will consist of both practical and discussion questions and all aspects of the subject are examinable.
<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE</th>
<th>LECTURE TOPIC</th>
<th>READINGS</th>
<th>QUESTIONS TO BE COMPLETE D BEFORE THE TUTORIAL</th>
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<tbody>
<tr>
<td>1</td>
<td>Feb 23</td>
<td>Introduction and International Harmonisation and Convergence</td>
<td>DEEG (A) Chapter 1 p. 4-21; 36-44</td>
<td>No tutorial in WEEK 1</td>
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<td></td>
<td></td>
<td></td>
<td>DEEG (B) Chapter 6</td>
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<td>2</td>
<td>March 1</td>
<td>Preparation of Financial Statements Balance Sheet/Income Statement</td>
<td>DEEG (A) Chapter 16 IAS 1 and 8</td>
<td>DEEG (A) Chapter 1</td>
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<td></td>
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<td>Q.1: Q. 16; Q. 17</td>
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<td>DEEG (B) Chapter 6, Q. 6.11, Q. 6.12</td>
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<td>3</td>
<td>March 8</td>
<td>Cash Flow Statements</td>
<td>DEEG (A) Chapter 18 IAS 7</td>
<td>Organise Groups for Presentation DEEG (A)</td>
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<td>Chapter 16</td>
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<td>Q. 4, Q. 6, Q. 19</td>
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<td>4</td>
<td>March 15</td>
<td>Financial Statement Analysis</td>
<td>HORNGREN Chapter 19 McROBERT and HOFFMAN Chapter 5</td>
<td>DEEG (A) Chapter 18</td>
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<td>Q.1, Q. 2, Q. 6, Q. 14</td>
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<td>5</td>
<td>March 22</td>
<td>International Accounting Standards a + Intangible Assets</td>
<td>Article 1 and 2</td>
<td>HORNGREN Chapter 19 Problem 19.4.</td>
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<tr>
<td></td>
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<td>Discuss Mid-Session</td>
<td>IAS 38</td>
<td>Small Group Discussion</td>
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<td>HORNGREN CASE 2</td>
</tr>
<tr>
<td>6</td>
<td>March 29</td>
<td>Social and Environmental Accounting</td>
<td>DEEG (A) Chapter 33</td>
<td>Special Question 1</td>
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<td>Discuss Group Project</td>
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**Notes:**
- DEEG (A) and DEEG (B) refer to specific sections of the texts referenced.
- IAS 1, IAS 7, IAS 18, IAS 38 are International Accounting Standards.
- HORNGREN, McROBERT, and HOFFMAN are authors of the referenced texts.
<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Module</th>
<th>Notes</th>
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<tbody>
<tr>
<td>8</td>
<td>April 19</td>
<td>Accounting for Leases</td>
<td>DEEG (A) Chapter 10 IAS 17</td>
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<tr>
<td>9</td>
<td>April 26</td>
<td>ANZAC DAY PUBLIC HOLIDAY NO LECTURE</td>
<td>LEO Chapter 4</td>
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<tr>
<td>10</td>
<td>May 3</td>
<td>Accounting for Tax</td>
<td>DEEG (A) Chapter 17</td>
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<td>Further reference: <em>LEO Chapter 4</em> IAS 12</td>
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<td>11</td>
<td>May 10</td>
<td>Accounting for Tax</td>
<td>DEEG (A) Chapter 17</td>
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<td>May 17</td>
<td>Ethics and Professionalism</td>
<td>Article 4</td>
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<td>13</td>
<td>May 24</td>
<td>Review</td>
<td>DEEG (A) Chapter 17</td>
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