Subject 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. Such application of accounting standards requires some consideration of ethical professional practice, and this will be covered specifically. We will also consider an area of accounting that continues to pose problems for the practising professional. Where appropriate, the social, economic, and legal implications of professional practice will be examined.

Subject 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. translating financial reports of foreign operations,
   iii. leases,
   iv. 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.

**Workload and Attendance**

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 Assessment and Subject Requirements**

(A) The assessment will be based on the following:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Special Question</td>
<td>5</td>
</tr>
<tr>
<td>Mid-session Exam</td>
<td>20</td>
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<tr>
<td>Case Project</td>
<td>25</td>
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<tr>
<td>Final examination</td>
<td>50</td>
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<tr>
<td>Total</td>
<td>100</td>
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(B) In order to pass or receive a higher grade, students must meet the following subject requirements:

(i) **attend** and actively **participate** in at least 10 tutorials,
(ii) **submit the Special Question** according to the requirements by the due date,
(iii) **sit the Mid-session Exam**,
(iv) **submit the Case Project (PART A & B, and PART C)** according to the requirements by the due date, and
(v) **sit the Final Examination** and achieve a **minimum** mark of **40%**.

**Class Format**

Students will attend a 2-hour lecture on Thursday 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. The class you attend will be determined by the co-ordinator, who will notify students on Friday 7th March, 2003. 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 the following page (p.3). In the Schedule, **KM** questions are questions that the co-ordinator, Kellie McCombie, will hand out to you a week before they are due for discussion. The full titles for all readings are listed on page 4. **All readings and tutorial questions are examinable.**
### ACCY 961 Schedule, 2003

<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE</th>
<th>LECTURE TOPIC</th>
<th>READINGS</th>
<th>QUESTIONS TO BE COMPLETED BEFORE, AND DISCUSSED IN, THE TUTORIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March 6</td>
<td>Introduction and International Harmonisation and Convergence</td>
<td>DEEG (A) Chapter 1 p. 36-44, DEEG (B) Chapter 6</td>
<td>No tutorial in WEEK 1</td>
</tr>
<tr>
<td>2</td>
<td>March 13</td>
<td>International Harmonisation and Convergence</td>
<td>Article 1 and 2</td>
<td>DEEG (A) Chapter 1, Q.1, DEEG (B) Chapter 6, Q 6.4, Q 6.9</td>
</tr>
<tr>
<td>3</td>
<td>March 20</td>
<td>Translating financial reports of foreign operations</td>
<td>DEEG (A) Chapter 32 AASB 1012</td>
<td>KM Questions 1 and 2</td>
</tr>
<tr>
<td>4</td>
<td>March 27</td>
<td>Preparation of financial statements – SOFPos and SOFPer</td>
<td>DEEG (A) Chapter 16 Article 3 and 4</td>
<td>DEEG (A) Chapter 32, Q.3, Q.8</td>
</tr>
<tr>
<td>5</td>
<td>April 3</td>
<td>Cash Flow Statements</td>
<td>DEEG (A) Chapter 18 AASB 1026</td>
<td>DEEG (A) Chapter 16, Q.13, Q.16, KM Question 3</td>
</tr>
<tr>
<td>6</td>
<td>April 10</td>
<td>Cash Flow Statements continued</td>
<td>DEEG (A) Chapter 18 AASB 1026</td>
<td>DEEG (A) Chapter 18, Q.2, Q.8, Q.14, Q15</td>
</tr>
<tr>
<td>7</td>
<td>April 17</td>
<td>Accounting for Leases</td>
<td>DEEG (A) Chapter 10 AASB 1008 Article 5 and 6</td>
<td>DEEG (A) Chapter 18, Q.6, Q.16</td>
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<td></td>
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<td></td>
<td></td>
<td><strong>Mid session recess</strong></td>
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<tr>
<td>8</td>
<td>May 1</td>
<td>Ethics and Professionalism</td>
<td>HP Chapter 31 Article 7</td>
<td>DEEG (A) Chapter 10, Q 10.7, 10.12, 10.15, KM Question 4</td>
</tr>
<tr>
<td>9</td>
<td>May 8</td>
<td>Social and Environmental Accounting</td>
<td>DEEG (A) Chapter 33 and DEEG (B) Chapter 9</td>
<td>HP Chapter 31, Q.17, Q.23, Case 7, KM Question 5</td>
</tr>
<tr>
<td>10</td>
<td>May 15</td>
<td>Social and Environmental Accounting continued</td>
<td>Article 8 DEEG (A) Chapter 8 and 19 AASB 1022 AASB 1037</td>
<td>DEEG (B), Chapter 9, Q.9.7, DEEG (A), Chapter 33, Q.26</td>
</tr>
<tr>
<td>11</td>
<td>May 22</td>
<td>Accounting for Tax</td>
<td>LEO Chapter 4 AASB 1020</td>
<td>KM Question 6, DEEG (A) Chapter 8, Q.14 Chapter 19 Q.5, Q.6</td>
</tr>
<tr>
<td>12</td>
<td>May 29</td>
<td>Accounting for Tax continued</td>
<td>LEO Chapter 4, AASB 1020</td>
<td>LEO Chapter 4, Discussion Question 2, 6, 8, Exercise 4.1, 4.5</td>
</tr>
<tr>
<td>13</td>
<td>June 5</td>
<td>Accounting for Tax and Review</td>
<td>LEO Chapter 4, AASB 1020</td>
<td>LEO Exercise 4.7 Problem 4.2 Problem 4.5</td>
</tr>
</tbody>
</table>
Prescribed texts and articles

The following textbooks (selected chapters) are compulsory reading:


The following articles are compulsory reading:


NOTE: You may purchase the Deegan (A) textbook from the Uni Bookshop or make use of a copy from the Library Reserve Collection. Deegan (B) textbook and Articles 1 and 2 will also be available in hardcopy from the Library Reserve Collection. An electronic version of Articles 3 - 8, and selected chapters from LEO and HP, can be accessed through the Library Reserve’s E-Readings. Also, all reading material (textbooks and articles) will be available in hardcopy from the Commerce Resource & Student Information Centre (Located on the ground floor of building 40). THIS MEANS all students will have access to the compulsory readings for each week, and all readings are examinable.

Special Question (Individual assessment 5%)

Due Date: Thursday, March 27, 2003 (Week 4)
Date of return: Thursday, April 10, 2003 (Week 6)
to students

The Special Question must be completed by the due date and handed to the co-ordinator at the beginning of the lecture (i.e. 10.30am). Only the co-ordinator will consider any extensions, if they are requested BEFORE the due date. A late submission will incur a penalty of ½ a mark a day.

The Special Question will not be accepted if it is mailed, emailed or faxed.

Your mark will be available through SOLS (University of Wollongong Homepage: http://www.uow.edu.au/). The Special Question can be collected from the subject co-ordinator.

Required:

Structure and presentation requirements:
• You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your assignment (available at the following address: http://www.uow.edu.au/commerce/accy/resources/index.htm).
• Your answers to the Special Question can be typed or hand written (must be readable).

Mid-Session Exam (Individual assessment 20%)

Date: Thursday, April 17, 2003 (Week 7)
Time: 10.35am – 11.25am (i.e. beginning of lecture)
Room: 14.G01
Marks available: Thursday, May 1, 2003 (Week 8).

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 11.25am). The exam will consist of one or two
questions. It may cover any topic from lectures, tutorials, readings and questions that have been covered up to, and including, Week 6.

Your exam mark will be available through SOLS (University of Wollongong Homepage: http://www.uow.edu.au/).

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**Case Project (Group Assessment 20% + Individual Assessment 5%)**

**Due Date:** PART A & B and PART C: Monday, May 19, 2003 (beginning of Week 11)

**Date of return to students:**
- PART A & B: Friday, June 6, 2003 (last day of Week 13)
- PART C: Friday, June 13, 2003 (last day of study Week)

The Case Project must be completed by the due date and **handed in by 3pm on that date.** You must place the project (Part A & B, and Part C) in a box that will be placed **outside of room 40.310.** Only the co-ordinator will consider any extensions, if they are requested BEFORE the due date. A late submission of Part A & B will incur a penalty of 1 mark a day; a late submission of Part C will incur a penalty of ½ mark a day.

The Case Project will **not** be accepted if it is mailed, emailed or faxed.

Your Case Project marks will be available through SOLS (University of Wollongong Homepage: http://www.uow.edu.au/). The Case Project can be collected from the subject co-ordinator.

**PART A & B: To be completed by a group (i.e. Group Assessment)**

**Group size and rules:**
- Must be a group of **two or three** students, determined no later than Week 5, April 3.
- Students in the group must exchange contact details with each other.
- Students must decide: when to meet and how many meetings; the responsibilities to each other; and how they will assess the real contribution of each member.

**Additional meeting time:**
There is a specific time set aside for work on the case 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 9 Lecture.** The first 30 minutes of the lecture time on May 8 will be spent working on Case Projects. All students are expected to come to the lecture with contributions towards the group’s project. It is an ideal time to ask questions of the co-
ordinator, and of each other. You must at least bring a copy of the annual report with you to class.

**Part A: Report: Application of Australian Accounting Standards (AASBs) for company reporting.**

**Requirements:**

1. The group must obtain a copy of Mayne’s Financial Report for 2002. This can be accessed at the company’s web site: http://203.89.220.44/index.cfm

2. Choose three of the following accounting standards:
   a. AASB 1012 (paragraph 7 – 10 only) Translation of Financial Reports of Foreign Operations
   b. AASB 1018 Statement of Financial Performance
   c. AASB 1034 Financial Report Presentation and Disclosures
   d. AASB 1040 Statement of Financial Position
   e. AASB 1026 Statement of Cashflows
   f. AASB 1008 Leases

3. Analyse the company’s application of three of the above accounting standards. You must describe in your own words, quoting relevant paragraphs of the standard, how Mayne has applied the standards. This will mean that you can, and should, provide evidence from the financial report. This does not mean you can “cut & paste” large sections of the financial report to represent your answer. Small sections of the report should be referred to (either by quoting or identifying page numbers). YOUR ANALYSIS IS BEING ASSESSED, NOT YOUR ABILITY TO CUT AND PASTE.

**Learning Objectives:**

- The main objective is for students to be able to analyse and discuss the application of accounting standards to a company’s financial data, and to do so in a team environment. An ability to work in teams is an important skill necessary for practising professionals. This involves an ability to negotiate responsibilities among members of a team, to manage time, attend arranged meetings, contribute ideas, research the topic, and write up a report.

**Part B: Essay: Ethical and Social Accounting and Accountability**

**Requirement:**

1. “Critically evaluate the role of financial reports for reporting on the accountability of companies, their actions and impacts on society”. You must include Mayne as an example in your critical evaluation (other examples of companies are encouraged).

2. You must include 10 or more references related to Mayne and it’s activities, actions, or impact on society. Web sites and the media provide useful sources for this purpose (to expose and discuss the issues surrounding the activities/actions of Mayne, that may not be revealed in the financial report).
3. In addition to the above, you must include 8 or more academic journal articles. These articles will provide a useful source of in depth discussion and analysis of the issues evident in the essay statement.

**Essay Hints:**
The essay statement is related to many issues. The difficulty will be selecting the issues you want to focus on. The statement is very broad, and allows you to explore issues such as: the nature of accounting practice; what is it we do when we account for companies; the meaning of accountability; can our calculations and preparing accounts actually impact on people’s lives; ethical considerations, and many more.

Therefore, you will need to:
- understand the depth of the essay statement and it’s terms,
- identify assumptions and taken for granted meanings that you have, or that others reveal in the readings,
- challenge those assumptions and attitudes so that you can come to a new, or different, understanding of the issues,
- critique these assumptions and attitudes, so as to reveal more than one side to the statement, and
- read extensively so that you may gain a broad, as well as, deeper understanding of the topic, and be able to critically evaluate.

**Learning Objectives:**
- The main objective is for students to be able to synthesise and articulate complex ideas, and compose this into a written form. That is, to think and write critically about current and “real” issues facing accounting. This essay should provide the medium for such skills to be developed and demonstrated. As a postgraduate student, it is expected that you will read widely and contemplate the issues contained within the statement. You need to think about the readings and whether you agree or disagree, why you agree/disagree. From this you must develop an argument or idea, **NOT** summarise an author’s ideas.
- A process of re-writing can develop the skill of writing logically and coherently. This means having several drafts, in which you critically examine whether you have met the objectives above and met the requirements.
- The above objectives will have to be met in a team environment, making it very important to bring your ideas and research together in a logical structure. This requires teams to acknowledge the importance of equal participation and effort.

**PART A & B: Structure and presentation requirements:**
- You must complete and attach a School of Accounting and Finance Assessment Cover Sheet to the front of your Case Project. (available at the following address: [http://www.uow.edu.au/commerce/accy/resources/index.htm](http://www.uow.edu.au/commerce/accy/resources/index.htm)). All group members must sign the cover sheet declaration.
- The length of Part A must be 5 - 6 A4 pages; the length of Part B must be 7 – 8 A4 pages.
- In addition to the above, you must provide a list of references used/cited in Part A & B (no specified length).
• The Case Project must provide a synopsis/abstract covering the entire project, and contained within 1 A4 page.
• The body of Part A must have a brief introduction and conclusion, and provide headings.
• The body of Part B must have an introduction and conclusion, and the use of headings is encouraged here also.
• The Case Project must be word-processed using 12-point font, double-line spacing, and a 3cm left and 3cm right margin.
• The Case Project must be properly referenced. That means when using the ideas of other authors you must acknowledge their work, both within the project and in the reference list. The unacknowledged use of other peoples’ writings or ideas is called plagiarism, and is not acceptable. You must refer to the University of Wollongong’s Acknowledgement Practice located on the web at http://www.uow.edu.au/student/calendar/rules/plagiarism.html and become familiar with it before you sign a declaration on your cover sheet.
• The referencing conventions of the Accounting, Auditing and Accountability Journal should be used.

Assessment Criteria:

• Presentation requirements: was the case project presented according to the above requirements
• Synopsis/abstract: did it outline the main findings/points/arguments in relation to Part A & B and conclusions reached in both Part A and Part B?
• Structure and presentation: did the structure and use of headings enhance the logic, coherence and flow of report?
• Content: did Part A address and display evidence of understanding the application of three accounting standards? Did the group use their own words to describe the application? Was evidence revealed to support the understanding? How relevant was the content of your essay towards a critical evaluation of the statement in Part B? Did the essay incorporate the company into this discussion and critique? How logical and coherent were the arguments you used to establish and support your point of view?
• Style: How logical and coherent was the language you used? Did your writing style add to or detract from the flow and readability of your report? Have you adequately reviewed it for correct spelling and grammar?
• Referencing: Did your references support your arguments? Did you read widely enough and meet the minimum reference requirements? Did you follow the prescribed method?

NOTE FOR PART A & B: Each member will get the same mark for Part A & B. Therefore it is crucial that all members have fully and equally participated. If there are problems with any group member’s participation or contribution, then you must see the co-ordinator as soon as possible and before the due date, so that appropriate action can be taken (this may mean exclusion from a group, joining another group, or unequal marks – PART C will be useful here).

PART C: To be completed individually (i.e. Individual Assessment)
**Individual Portfolio:** a portfolio containing three separate sections, to be completed by all students individually.

**Requirements:**

1. Maintain and hand in a complete **diary/log** of the time spent on the case project. This should show every time that you worked on the case project (including individually and in the group). A table with columns for date, time and activity would be sufficient. The following are some examples: reading an article, sending an email to members in group, making notes on scrap paper while sitting on the bus, attending a group meeting, etc.

2. Provide at least **10 pieces** (not pages) of work that provide **evidence** that you contributed to the case project. For example, a photocopy of a reading will not meet this requirement. However, a photocopy of a reading that has notes written on it and has sections highlighted will meet the requirement of 1 piece of work. Many other examples will be discussed in class.

3. Prepare a 2-page **reflection** of your experience with this case project. This means reflecting upon the process you have been through over the past weeks. It may mean discussing the following points:
   - Do you think you and/or the group achieved the objectives of the case project?
   - How could you have improved the achievement(s)?
   - What should you have done to assist yourself?
   - What should the teaching staff have done to assist?

**Structure and Presentation:**

- You must complete a School of Accounting and Finance Assessment Cover Sheet and place this inside your individual portfolio folder (available at: [http://www.uow.edu.au/commerce/accy/resources/index.htm](http://www.uow.edu.au/commerce/accy/resources/index.htm)). You must sign the cover sheet declaration.
- The complete portfolio must be presented in the order above, with a title page for each of the three sections, and placed in a plastic sleeved folder. Each page should be visible through a single plastic sleeve. The 10 pieces of work should be clearly identified (e.g. Piece 1, numbered page 1 – 4; Piece 2, numbered page 1; etc).
- Section 3 must be word-processed, using double-line spacing.

**NOTE FOR PART C:** A mark will be awarded to each individual, out of 5, based on that student’s satisfactory completion of all three requirements. Satisfactory will mean that each section has given attention to the minimum requirements (e.g. 10 pieces of work, that clearly shows the student’s original contributions).

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**Special Consideration and Supplementary Examinations**

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. The evidence should be submitted to Student Inquiries Office. Students should make their request Online using SOLS (University of Wollongong Homepage: http://www.uow.edu.au/), which will forward the request to the subject co-ordinator.

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/student/calendar/specialconsideration.html, and students should familiarise themselves with these policies.

**Acknowledgment Practice/Plagiarism and Code of Practice**

Plagiarism is the use of another person’s work, or idea, as if it is your own.

The other person may be an author, critic, lecturer or another student. When it is desirable, or necessary, to use other people’s materials, take care to include appropriate references and attribution - do not pretend the ideas are your own. Be sure not to plagiarise unintentionally. Plagiarism has led to expulsion from the university.

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/student/calendar/rules/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.

**Disability Issues**

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 Co-ordinator. 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