(a) **Subject Description**

ACCY324 develops knowledge and skills in the principles and techniques of analysis of accounting information contained in financial statements. The emphasis is on practical application of these skills. The subject introduces the language and concepts of financial information analysis, and examines the role of financial information analysis within a framework of overall business analysis. The course applies the techniques of financial information analysis to specific areas of business analysis that are commonly met in practice. The subject explores the varied sources of financial information used in developing financial analyses of firms. The financial information considered in this course is primarily publicly available accounting information, although other sources of information relied on in corporate financial analysis are also taken into account.

(b) **General Learning Objectives**

Upon completion of this subject students should have sufficient theoretical understanding and analytical skills to:

- Describe and discuss the main steps in business analysis and valuation using financial statements,
- Enumerate and discuss the major applications of business financial analysis,
- Evaluate firms on the basis of available financial information,
- Assess the relevance, reliability and general quality of financial information available in given contexts,
- Model and allow for the incentives underlying the supply and demand for financial information,
- Comprehend the reaction of equity and debt markets to the release of particular financial information,
- Model the investment decisions of equity market participants and corporate lenders, and their consequent financial information requirements,
- Have knowledge of the statistical and other properties of financial statement numbers,
- Explain lucidly and succinctly the basic concepts and tools of corporate financial information analysis.

(c) **Prescribed text**

(d) Subject Requirements and Assessment

For the purposes of determining final grades for ACCY324, student performance will be evaluated on a composite mark, determined as follows:

2 Case studies

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Case 1</td>
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<tr>
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<td>Final Exam</td>
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<td><strong>Total</strong></td>
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To be awarded a Pass or higher grade in this subject, students must attain at least 40% of the total marks assigned to the final examination. Final composite marks may be scaled.

(e) Exam

A final three-hour exam will be held in this subject. The exam will include subject matter covered in lectures and/or tutorials. You should study from your class notes, supplementing this material with explanations and further example problems from the textbook as necessary. The problems which you will be asked to solve and discuss in exams will not be the same as those discussed in classes but will require application of the same concepts and techniques. The objective is to test your understanding of class material rather than mere memory.

(f) Access to Lecturer

Administrative arrangements for ACCY324 will be the responsibility of Associate Professor Michael McCrae, Room 40.323. Ph.0242 214015, Email: mccrae@uow.edu.au
Consultation times will be posted on the door of Room 40.323.

<table>
<thead>
<tr>
<th>Lectures</th>
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<tbody>
<tr>
<td>Tuesday</td>
<td>0930-1030</td>
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<tr>
<td>Wednesday</td>
<td>0930-1030</td>
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(g) Tutorial Attendance

Attendance at tutorials is a compulsory requirement of this subject.

Solutions to tutorial problems are to be submitted to tutors as required. Your tutor will provide further details on frequency and method of submission.

Your participation in and contribution to weekly tutorial discussions and satisfactory submission of required tutorial work will be taken into account when awarding your mark for tutorial work (see above).

(h) Case Studies

Two case studies are required to be undertaken during the course to be submitted by the dates below.

- Case study 1 1700 hrs, Wednesday, 11th April
- Case Study 2 1700 hrs, Wednesday, 6th June
A submission box will be located outside the coordinator’s office door on these dates. Work will be returned during tutorials.

A medical certificate must accompany any request for consideration. Any case studies submitted after the due date will incur a penalty (one mark per day), which may reduce the mark to zero, unless special exemption has been granted prior to the due date.

- The case studies are to be undertaken by class members working in groups of three/four. Class members may change groups between each case study, but may not change groups for any particular case study once the group is well established. This is subject to the requirement that each class member must participate in case studies on two different areas of business analysis application as outlined in Palepu and must complete two separate cases as listed in Palepu.
- Each of the two case studies in which a class member participates must be on a separate area of business analysis application as outlined in Palepu. Any class member doing more than one case study in predominantly one area of business analysis application will only have the first study counted towards assessment.
- It is intended that groups should choose the area of business analysis application for each case study from the areas covered by lectures up until the submission date of each study.
- Groups should not use the cases, which are extensively used as the basis of lectures given before the relevant submission dates.
- The final group mark for each case study becomes the mark of each individual group member.
- It is likely that several groups will choose each case study in Palepu. Evidence of plagiarism between group reports either within each case study or between any of the two required case studies is viewed seriously and will result in loss of marks for all parties.

Assessment of case studies will be based on a report submitted by each group. Each group is to consider itself as a team of analysts submitting a business analysis report to a client, which they will then use as a basis for action or decision-making.

An integral part of the report involves each group defining the area of business analysis application, which is to be the focus of the report. In other words, the group is to carefully and fully define the business analysis application area they are targeting in each case study and the particular problem areas they will address in their report to the client. It is envisaged that reports will address at least the following areas in their structure:

- The area of analysis and the specific issues under investigation - assume the client who employs your group as analysts has a specific purpose or action in mind that motivates them to seek a business analysis report.
- The scope of the investigation and any limitations
- The aim of the investigation and the purposes to be achieved
- The method of analysis and details of analysis
- The results of analysis
- Interpretation of results
- Recommendations to client

Suggestions
Include a two page executive summary with the report that summarizes the purpose and scope of the investigation, limitations, method, results, interpretation and recommendations to the client.

Most of the actual analysis should be included in well-structured appendices supporting the document with only the main calculations or results in the report. Make sure you make appropriate reference to the appendices in the report.

Structure and plan the report carefully making use of headings and sub-headings so that the client can easily follow your report and any subsequent committee discussions with the client are facilitated.

Include within the report evidence of wider reading about the issues and problems, which may arise in the chosen area of business analysis.

**Mandatory case study presentation standards are as follows:**

1. The case study is to be typed using a computer word processing package.
2. A duplicate of the essay is not required. You must ensure, however, that you have the capacity to provide a duplicate, should this be requested. Problems with computers, software, lost disks etc will not be accepted as excuses.
3. The pages should be numbered.
4. At the front of the essay there must be a title page showing your name, your tutorial class, the date the essay is due and the topic as given.
5. An executive summary of not more than two pages to preface the case study.
6. There must be a margin of about 40 mm to allow for written comments.
7. All essays should include a list of references in academic form. All sourced material, including direct quotations, should be appropriately acknowledged.

Case studies will be penalized for failure to meet any of these requirements. *Students not submitting all two case studies by the due dates will, in the absence of accepted documented reasons, fail the subject.*

Cover sheets will be issued for both case studies. Reports will only be accepted with this cover sheet attached and signed by all group members. Acknowledgement of submission will be by return of the 'receipt' portion of the cover sheet during lectures/tutorials.

**(i) Supplementary Exam and Special Consideration Policy**

Refer to the University of Wollongong Calendar on supplementary exams and special consideration. Also refer to the statement of Departmental policy, copies of which are available in the Faculty of Commerce Resource Room in Building 40.

The Department wishes to emphasize that the response to requests for supplementary or special consideration will normally be to refuse a supplementary exam and assess the students on available evidence. If supplementary exams are granted they may be written or oral and they will be held under exam conditions and held in the week commencing 3 weeks after the last date of the formal examination period. Only one supplementary exam may be held per subject.

If a student requests a supplementary exam or special consideration, then it is the student’s responsibility to be available during the above period, in case a supplementary is granted.

The highest grade that can be assigned to the overall results of a student having done a supplementary exam will normally be a pass.
The attention of each student is drawn to the Code of Practice section in the University Calendar 2001 and particularly the section on assessment. The Code of Practice - Teaching and Assessment is available on the UOW website at http://www.uow.edu.au/about/teaching/teaching_code.html#subject.

If special consideration is sought in relation to any of the elements of assessment (essay, computer assignments, tutorial attendance, exams), a signed request for special consideration must be submitted to the lecturer before the element is taken, or if not undertaken, then as soon after as possible. A medical certificate must accompany requests.

(j) Plagiarism

Candidates for the course should read the sections on examinations, plagiarism, code of practice - students, and code of practice - teaching as set out in the Calendar contained in the 'General Information' section of the General Information Calendar. As a student you must become familiar with, read and adopt the University of Wollongong Acknowledgment Practice/Plagiarism as set out in the General Information Calendar. It will be assumed that everyone in the subject has read these sections and understands their implications. Any questions about the issue should be directed to the subject coordinator within the first two weeks of the course. The cover sheets provided for handing-in of assignments also require acknowledgement of this issue.

The document 'Acknowledgement Practice' is available on-line to all students on the UOW website at http://www.uow.edu.au/student/calendar/rules/plagiarism.html, and in the Student Guide. A shortened copy is appended to this subject outline.

(k) Workload

As an indication of the amount of time to be spent on the subject each week, the Course Rules are taken as the basis. The rules state that:

"'Credit point' is the value attached to a subject as a component of a degree and, for a subject other than a research subject, each credit point has an implied workload of 28 hours over the duration of the subject.". (Calendar 2001).

This unit is worth 6 credit points.

(l) Disability

“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 Advisor and/or the Subject Coordinator”. For the Faculty of Commerce, please see the Sub-Dean, in room 40.337.
First (Autumn) Session

Session Dates

<table>
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<tr>
<td>26 February - 4 March</td>
<td>Orientation Week</td>
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<tr>
<td>5 March - 15 April</td>
<td>Lectures Commence (6 weeks)</td>
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<tr>
<td>16 April - 22 April</td>
<td>Mid-Session Recess (1 week)</td>
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<tr>
<td>23 April - 10 June</td>
<td>Lectures recommence (7 weeks)</td>
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<tr>
<td>11 June - 15 June</td>
<td>Study Recess (1 week)</td>
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<tr>
<td>16 June - 1 July</td>
<td>Examinations (2 weeks)</td>
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<tr>
<td>2 July - 22 July</td>
<td>Mid Year Recess (3 weeks)</td>
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<tbody>
<tr>
<td>Week 1</td>
<td>#1/2 Framework for Analysis</td>
<td>Palepu Ch 1</td>
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<tr>
<td></td>
<td><strong>Business Analysis Tools</strong></td>
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<tr>
<td>Week 2</td>
<td>#3/4 Business Strategy Analysis</td>
<td>Palepu Ch 2</td>
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<tr>
<td>Week 3</td>
<td>#5/6 Accounting Analysis</td>
<td>Palepu Ch 3</td>
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<tr>
<td>Week 4</td>
<td>#7/8 Financial Analysis (1)</td>
<td>Palepu Ch 4-6</td>
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<tr>
<td>Week 5</td>
<td>#9/10 Financial Analysis (2)</td>
<td>Palepu Ch 7-9</td>
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<td>Week 6</td>
<td>#11/12 Prospective Analysis: Forecasting</td>
<td>Palepu Ch 10</td>
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<td>Week 7</td>
<td>#13/14 Prospective Analysis</td>
<td>Palepu Ch 11-12</td>
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<td>Week 8</td>
<td>#15/16 Prospective Analysis</td>
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<td></td>
<td>Discounted Cash Flows and Valuation</td>
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<td>Implementation</td>
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<td><strong>Business Analysis Applications</strong></td>
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<td>Week 9</td>
<td>#17/18 Equity Security Analysis</td>
<td>Palepu Ch 13</td>
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<tr>
<td>Week 10</td>
<td>#19/20 Credit Analysis/ Distress</td>
<td>Palepu Ch 14</td>
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<tr>
<td>Week 11</td>
<td>#21/22 Mergers and Acquisitions</td>
<td>Palepu Ch 15</td>
</tr>
<tr>
<td>Week 12</td>
<td>#23/24 Corporate Financing</td>
<td>Palepu Ch 16</td>
</tr>
<tr>
<td>Week 13</td>
<td>#25/26 Revision</td>
<td>Palepu Ch 26</td>
</tr>
</tbody>
</table>
Answers to tutorial questions are to be submitted at the tutorial indicated. Tutorials lag the lectures by one week.

Tutorial 1 Framework for Analysis
1. Identify and describe each step in Palepu's Framework for business analysis.
2. Explain the objectives/purposes of each of the four steps in Palepu's Framework.
3. Explain why each of the four steps for business analysis described in Palepu is a critical part of a financial analyst's job and how they relate to each other.
4. Joe Smith argues "learning how to do business analysis and valuation using financial statements is not very useful, unless you are interested in becoming a financial analyst." Comment on this statement.

Tutorial 2 Business Strategy Analysis
1. Case: The Home Depot. Evaluate Home Depot's business strategy. Do you think it is a viable strategy in the long run?
2. An accounting major student argues, "Strategy analysis seems to be an unnecessary detour in doing financial statement analysis. Why can't we just get straight on to the accounting issues?" Explain why the student might be wrong.
3. What are the critical drivers of industry profitability?

Tutorial 3 Accounting Analysis
1. Case: Harnischfeger Corp. Identify the major accounting policy changes that Harnischfeger made during 1984. What do you think are the motives of management for making the changes in each case?
2. A finance student states, "I don't understand why anyone pays any attention to accounting earnings numbers, given that a 'clean' number like cash from operations is readily available." Do you agree? Why or why not?
3. Fred argues 'The standards I like most are the ones that eliminate all management discretion in reporting - that way I get uniform numbers across all companies and don't have to worry about doing accounting analysis.' Do you agree? Why or why not.
4. If a management reports truthfully what economic events are likely to prompt the following accounting changes?
   - Increase in the estimated life of depreciable assets
   - Decrease in the Bad Debts Allowances as a percentage of gross receivables
   - Recognition of revenues at the point of delivery, rather than at the point cash is received.
   - Capitalization of a higher proportion of software R & D costs.

Tutorial 4 Financial Analysis (1)
1. Case: The Gap The Gap's ROE for 1991 was extraordinarily high. Analyze the company's profitability, relative to prior years and relative to its competition. Which components of profitability provided the Gap with its "edge" in 1991? What appear to be the sources of that edge? Do you think the profitability is sustainable?
2. In relation to the financial analysis of the Assets, Liabilities, Equities and Revenues, answer the following questions.
a. Identify the main accounting reporting convention underlying each item.
b. Identify the critical reporting challenges for each, and discuss why they are critical.
c. Identify two misconceptions about reporting for each item.

Tutorial 5  Financial Analysis (2)
2. What ratios would you use to evaluate the following management areas of a firm?
   a. Operating
   b. Investment
   c. Financing
   d. Dividend policy
3. What ratios would you use to evaluate the following for a firm?
   a. Financing policy
   b. Profitability
   c. Creditworthiness
   d. Market valuation (stock price)
   e. Take-over potential

Tutorial 6  Forecasting Earnings and Cash flows

Tutorial 7  Forecasting the Value of the Firm - Accounting Based Valuation
2. Case: Schneider and Square D. Forecast a market value of The Gap for 1991-1994 using both the Abnormal Earnings and Abnormal ROE techniques
3. What are the major steps in the AE and ROE methods of estimating firm valuation? What assumptions are required?

Tutorial 8  Forecasting the Value of the Firm - Discounted Cash Flow Valuation
3. What are the major steps in the DCF method of estimating firm valuation? What assumptions are required?

Tutorial 9  Equity Security Analysis
   a. With stock price at $55 per share in early 1992, use the DCF and DAE methods to infer what possible combinations of profitability, growth and cost of capital would be necessary to justify the $55 price.
2. Identify and discuss the differences between fundamental and technical analysis? What assumptions underlie each type of analysis? What is the purpose of each method?
3. What are buy-side and sell-side financial analysts? What are the major differences between them?

Tutorial 10 Credit Analysis/Distress
   a. Do you think the company's financial strategy is appropriate, given its business?
   b. Should Sarah Kim grant the loan to Adelphi? What would be the appropriate terms (interest rate, covenants, security requirements, etc)?
   c. What financing options should Adelphi pursue if the bank does not grant the loan?
2. Identify and explain the content and purpose of each of the five major steps in the Credit Analysis process.
3. Define and discuss the purpose and components of the Altman Z-score model.

Tutorial 11 Mergers and Acquisitions
1. Case: Schneider-Square D.
   a. Assess and discuss the strategic fit between Square D and Schneider. What are the economic pros and cons of a combination? What synergies would be gained by each company? What may be potential future disadvantages?
   b. Define and evaluate Lazard Freres assumptions for valuing Square D (sales growth, EBIT/sales forecasts, Working capital requirements/sales, Capital expenditure/sales, Depreciation/sales and others).
   c. What impact would the acquisition have on the financial position of Schneider, assuming that it acquired Square D for (a) cash and (b) stock?
2. Identify and discuss 6 possible motivations for a merger or acquisition.
3. Identify and explain the steps in the Earnings Multiples and the DCF methods of estimating a target's value to an acquirer.

Tutorial 12 Corporate Financing
1. Case: Murray Ohio Manufacturing
   a. Given its recent financial performance and cash flows, can the company afford to maintain its current dividend if operating conditions remain about the same?
   b. Evaluate management new business strategy into the future and its implications for future cash flow requirements. Will the new strategy make maintenance of current dividend policy more or less likely?
2. Case: CUC
   a. What are CUC's key success factors? What are its main sources of finance?
   b. Is CUC's policy of capitalizing membership acquisition costs appropriate? Does it help reflect the company's operating performance?
   c. How might the management use finance policies to enhance its stock price?

Tutorial 13 Revision
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<tr>
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<tbody>
<tr>
<td>AUTHOR</td>
<td>Bernstein, Leopold A.</td>
</tr>
<tr>
<td>TITLE</td>
<td>Cases in financial statement reporting and analysis / Leopold A. Bernstein, Mostafa M. Maksy.</td>
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<td>Sprouse, Robert T.</td>
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<tr>
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<td>Reading [Mass.]</td>
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<tr>
<td>AUTHOR</td>
<td>Stickney, Clyde P. (Clyde Pierce), 1944-</td>
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<tr>
<td>TITLE</td>
<td>Financial reporting and statement analysis : a strategic perspective / Clyde P. Stickney.</td>
</tr>
<tr>
<td>EDITION</td>
<td>3rd ed.</td>
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<td>IMPRINT</td>
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<td>AUTHOR</td>
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<td>Financial statement analysis / [by] George Foster.</td>
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<td>IMPRINT</td>
<td>Englewood Cliffs.</td>
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<tr>
<td>AUTHOR</td>
<td>Bernstein, Leopold A.</td>
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<tr>
<td>TITLE</td>
<td>Financial statement analysis : theory, application, and interpretation / Leopold A. Bernstein.</td>
</tr>
<tr>
<td>EDITION</td>
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<td>Financial statement analysis : a strategic perspective / Clyde P. Stickney.</td>
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<td>Myer, John Nicholas, 1897-</td>
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<td>EDITION</td>
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10
9. CALL # 657.3/225.
TITLE Financial statement analysis / edited by Ray Ball, S.P.
Kothari.
DESCRIPT xii, 772 p. : ill. ; 23 cm.

10. CALL # 657.3/122.
AUTHOR Gibson, Charles H., 1939-.
TITLE Financial statement analysis : using financial accounting
information / Charles H. Gibson.
EDITION 6th ed.
9409.

11. CALL # 657.76/14.
AUTHOR Choi, Won Wook.
TITLE Financial statement analysis : the study of return on common
equity and intangible assets / Won Wook Choi.
IMPRINT Ann Arbor, Mich. : UMI Dissertation Services, [19--]

12. CALL # 657.3/234.
AUTHOR Laing, Gregory Kenneth.
TITLE Financial statement analysis / Gregory K. Laing.
IMPRINT Sydney : Butterworths, 1996.
9608.

13. CALL # 658.15/14.
AUTHOR Foulke, Roy A. (Roy Anderson)
TITLE Practical financial statement analysis / Roy A. Foulke.
EDITION 5th ed.

14. CALL # 657.3/228.
AUTHOR Plewa, Franklin James, 1949-
TITLE Understanding income statements / by Franklin J. Plewa, Jr. and
George T. Friedlob.
Plagiarism

Extract from 2001 on-line Calendar at


“ACKNOWLEDGEMENT PRACTICE

Plagiarism

In a university, ideas are important, and it is also important to give people appropriate credit for having ideas.

There are several reasons why you should give people credit when using their ideas; three of the more important of those reasons are:

"fairness to authors and other students, the responsibility of students to do independent work, and respect for ownership rights." 1

If, in writing an essay or report, you copy a passage from a book word-for-word and don’t give a reference to the book, this is:

- unfair to the author who wrote the passage in the book;
- unfair to other students who do their own work without copying;
- failure to do independent work as expected in a university; and
- breach of copyright.

Giving and gaining credit for ideas is so important that a violation of established procedures has a special name: plagiarism. Plagiarism means using the ideas of someone else without giving them proper credit. That someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Intentional plagiarism is a serious form of cheating. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgment. In either case, the University may impose penalties which can be very severe.

Over many years, procedures have been developed for acknowledging ideas in all forms of expression. In published writings, for example, authors are expected to give references to articles and books on which they have relied, and to give written thanks to people who have helped them in preparing their work.

There are several methods for giving credit in written work and the lecturers and tutors in the academic units in which you study should inform you about methods that are acceptable to them. A good way to gain a better understanding of those methods in a particular discipline is to read articles published in academic journals of that discipline.
The following examples will help you understand some of the common methods for acknowledging your sources. If you have any questions about these methods, check with your lecturer or tutor.

Acknowledging Sources of Quotations

If you copy a paragraph or even a sentence from an article, a book, lecture notes or an essay or report of another student, it should be put in quotation marks and the article, book or other source should be listed in a footnote or in the bibliography or in the references.

Example 1: "The subjugation of thought in Australia through stringent censorship and draconian defamation laws has existed throughout the 200 years of white settlement" (Pollak, 1990, p. 7).

Correct.

The bibliography should then include:


Example 1 is presented using the author-date system in which the author of the work and the date the work was published are listed in brackets.

Example 2: "The subjugation of thought in Australia through stringent censorship and draconian defamation laws has existed throughout the 200 years of white settlement."²

Correct - see the footnote (reference at bottom).

Example 2 is presented using the footnote system in which the full reference is given as a footnote. You should be aware that, depending on the system your lecturer or tutor prefers, you may use either footnotes at the foot of the page or endnotes at the end of the text.

Example 3: The subjugation of thought in Australia through stringent censorship and draconian defamation laws has existed throughout the 200 years of white settlement.

Wrong and very bad: this is a direct quote from Pollak and therefore should be placed in quotation marks followed by a reference using the author-date system or the footnote or endnote system.

If you use a quote, the words in quotation marks must be copied exactly as they are in the original source.

Example 4: "In Australia, stringent censorship and draconian defamation laws have existed throughout the two hundred years of White settlement" (Pollak, 1990, p.7).
Wrong: the quote is inaccurate in several places.

If you change or add anything, use square brackets [ ] to indicate the place where the alteration is located.

If you omit something from the quote, use a line of dots .... to indicate the location of the omission.

Example 5: Pollak claims that censorship and defamation law have been the means for "[t]he subjugation of thought in Australia .... throughout the 200 years of white settlement" (Pollak, 1990, p.7).

Correct.

Acknowledging Sources of Ideas

Even if you are not using the exact words of somebody else, it is wrong to use their ideas unless you give appropriate credit.

For example, if you write an essay or paper on the censorship of the press and you structure it using the same set of topics as Pollak uses in his book Sense and Censorship, you should say this in a sentence or note and thus give credit to Pollak.

Example 6: In this essay, the use of censorship against Dorothy Hewett, Terry Hayes, Chris Masters and Brian Toohey will be described.

Wrong: the last four chapters of Pollak’s book are on these individuals, so you should give Pollak credit for having picked them out – and more credit if you used his book for your analysis.

Paraphrasing

This means taking the ideas of somebody else and expressing them with different words. Since you are using your own words, you do not need to use quotation marks. However, you must make enough changes so that what you have written is distinctly different, and you must acknowledge your source.

Example 7: Stringent defamation laws combined with tight censorship practices have meant that independent thought has been under attack since white settlement began in Australia (Pollak, 1990, p.7).

Correct.

Example 8: In Australia, stringent censorship and draconian defamation laws have led to the subjugation of thought in Australia throughout the 200 years of White settlement (Pollak, 1990, p 7).

Wrong: this is too close to Pollak’s original wording.

Example 9: Stringent defamation laws combined with tight censorship practices have meant that independent thought has been under attack since white settlement began in Australia.
Wrong: there is no citation of Pollak.

It is often better to avoid paraphrasing altogether and write things in your own words. One good way to do this is to first read the book or article and make brief notes. Then close the book or turn over the article and write what you want to say without looking at the source. In other words, don’t refer to the source material while you are writing, unless you are transcribing a direct quote. Then, afterwards, put in the citations, in the appropriate form and at the appropriate places.

Common Knowledge

It is unnecessary to give a citation to something that is common knowledge. Common knowledge is what ‘everyone knows’ about a particular subject, or which can be found in many sources such as newspapers, magazines, popular journals and radio and television reports.

Example 10: Defamation laws are quite severe in Australia.

Correct: this is common knowledge. No citation is needed.

How to Avoid Plagiarism

Unwitting plagiarism is often the result of poor study methods. The habit of copying verbatim (word-for-word) from a source as you read is dangerous. It is easy to forget that the notes you make are verbatim and to later write them into an essay or report. The only material you should write verbatim are those absolutely delightful, pithy, witty or incisive phrases which you need to make a special point in your essay or report.

The distinction between what needs to be acknowledged and what is common knowledge is not always clear. As you gain experience in expressing yourself, you will learn to discriminate and you will learn the acceptable practices for acknowledgment in the disciplines in which you study. But while you are learning, always play safe and acknowledge, acknowledge, acknowledge.

List of References:

   (quote from p 203).

or
as reference number 2 in the List of References at the end of the essay or report.”.