



# ACCG308

## Corporate Accounting and Reporting

MQC1 Evening 2015

*Dept of Accounting & Corporate Governance*

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## General Information

Unit convenor and teaching staff

Unit Convenor/Lecturer/ Tutor

Tas Husain

[tas.nair@mqc.edu.au](mailto:tas.nair@mqc.edu.au)

Contact via [tas.nair@mqc.edu.au](mailto:tas.nair@mqc.edu.au)

TBA

Lecturer/Tutor

Meth Mevan Pulas Mavanane

[Meth.Mevananehewa@mq.edu.au](mailto:Meth.Mevananehewa@mq.edu.au)

Contact via [Meth.Mevananehewa@mq.edu.au](mailto:Meth.Mevananehewa@mq.edu.au)

TBA

Credit points

3

Prerequisites

39cp including ACCG224

Corequisites

Co-badged status

Unit description

This unit examines the framework and techniques that are used to prepare general purpose financial reports for companies. The unit builds on ACCG100, ACCG101 and ACCG224 and further considers the recognition and measurement of financial statement elements and accounting for income tax. A major topic of the unit is the techniques of consolidation accounting used to prepare the consolidated financial statements for a corporate group. Through the in-depth discussion of a number of key corporate accounting issues, this unit provides students with the technical accounting knowledge to prepare and use company financial statements. This unit develops graduate capabilities centred on higher order analysis and effective communication skills using a range of technical materials.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

Demonstrate understanding of the theory and practice of compiling company financial statements.

Describe and apply the concepts for the financial statement elements set out in the Framework.

Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.

Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).

Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.

Demonstrate understanding of the theory and practice related to external administration.

## Assessment Tasks

Name	Weighting	Due
<u>Assessed Coursework</u>	24%	Weeks 4,8,10,12
<u>Report</u>	14%	11 May 2015 ( Week 9)
<u>Online Quiz</u>	7%	Week 13
<u>Final Examination</u>	55%	16 -24 June 2015

### Assessed Coursework

Due: **Weeks 4,8,10,12**

Weighting: **24%**

There are four assessed coursework to be completed in registered tutorials in weeks 4, 8, 10 and 12. Each assessed coursework is worth 6%. In each assessed coursework, students will be instructed to complete one question **individually** and are permitted to access their **own hand-written notes on one double-sided page of a white A4 paper only**. Typed or photocopied notes will **NOT** be permitted. The hand-written notes (showing student ID and student name) must be submitted together with each assessed coursework. Students are not allowed to access the textbook or other course materials. Students have to bring a calculator for each assessed coursework, and will **NOT** be allowed to share calculators or access any electronic devices (e.g., phones, tablets, etc.) during the assessment.

### Submission

Students must attempt the assessed coursework in **registered tutorial in weeks 4, 8, 10 and 12**.

## Extension

No extensions will be granted. There will be no supplementary assessed coursework questions.

## Penalties

Students who do not complete the assessed coursework question in their registered tutorial be awarded a mark of zero for the task, except for cases in which an application for under the Disruption to Studies Policy is made and approved.

## What is required to complete satisfactorily?

Students will be expected to attend lectures weekly and tutorials and undertake independent study in preparation for the assessed coursework questions. It is expected that students spend approximately 5 hours of study for each assessed coursework question.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## Report

Due: **11 May 2015 ( Week 9)**

Weighting: **14%**

Students will be assigned into groups of five (or less) by their tutors to complete a group report. Detailed requirements and marking criteria of the report will be released on iLearn in week 5. The report is due **on Monday 11 May 2015 ( Week 9)**.

## Submission

Each group must submit a hard copy of the group report at the 2nd Floor Reception

at Macquarie City Campus by **4pm, Monday 11 May 2015**. Before the group report is submitted, all groups will be required to submit their reports electronically to Turnitin through iLearn. Turnitin is an internet database that identifies papers containing unoriginal material. When you submit your report to Turnitin, an Originality Report will be produced. Detailed instructions will be available in week 5 via iLearn.

**Please do not submit the report to your tutors.**

### **Extension**

No extension will be granted. Late submission (i.e., submitted after the deadline) will incur a penalty of 10% per day or day part thereof .

### **Penalties**

Late assignments will be accepted up to 72 hours after the submission deadline. There will be a deduction of 20% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 40% penalty).

Severe penalties will apply to cases of plagiarism. Further details of plagiarism penalties are included in the assignment guide to be posted on i-learn.

### **What is required to complete satisfactorily?**

It is students' responsibility to ensure that workload distributed to each group member is reasonable and that all members make continuous progress towards the final report report. It is suggested that a timeline is developed and used by group members to regularly monitor progress . Each group is expected to spend approximately 24 hours of study (e.g., research, writing up the report, discussion, etc.) for the report.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.

## **Online Quiz**

Due: **Week 13**

Weighting: **7%**

The quiz will be held in **week 13**. The quiz will be computer based (accessed from iLearn) consisting of multiple choice questions. The topic coverage of the quiz will be all material in the course. The results of the quiz will be released on iLearn in **week 14**. Detailed information about the quiz will be provided in week 12 via iLearn.

### **Submission**

The quiz will be administered online in week 13 via iLearn.

### **Extension**

No extension will be granted i.e., there will be no supplementary quiz.

### **Penalties**

Students who do not complete the quiz by the deadline will be awarded a mark of zero for the assessment task.

### **What is required to complete satisfactorily?**

Students will be expected to attend lectures weekly and to undertake independent study in preparation for the quiz. It is expected that students spend approximately 5 hours of study for the quiz.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## **Final Examination**

Due: **16 -24 June 2015**

Weighting: **55%**

A final examination is included as an assessment task for this unit to provide assurance that:

- i) the product belongs to the student and
- ii) the student has attained the knowledge and skills tested in the exam.

The final exam is of three hours and ten minutes duration. The final exam for ACCG308 is designed to test you against the learning objectives of the unit. The final exam will test all the materials covered during weeks 1-13.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching session, that is, the final day of the official examination period.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider making an application under the Disruption to Studies Policy. The University's policy on Disruption to Studies is available at: [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) Further details of the policy on Disruption to Studies are given in the section below.

If a Supplementary Examination is granted as a result of the Disruption to Studies process, the examination will be scheduled as per the Supplementary Examination timetable of the Faculty. Please note that the supplementary examination will be of a similar format as the final examination. The supplementary exam schedule will be provided after the final examination. There are no deferred supplementary exams in this unit. Students who are granted a Supplementary Exam but do not manage to sit for the Supplementary Exam in the scheduled period will not be able to pass the unit in session 3 2014.

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

<http://www.mq.edu.au/policy/docs/examination/policy.htm>

Details regarding the form and scope of the final exam will be provided to you during the final lecture in the session. In the meantime you should be aware that the best preparation for the final exam is as follows:

- Attend weekly lectures and take notes - what are the main points the lecturer has made?
- Watch the weekly virtual tutorials available on iLearn.
- Complete the required readings from the textbook each week
- Attend all tutorials
- Complete independent solutions to tutorial discussion questions, exercises and problems
- Form study groups at the beginning of session
- Use the assessed coursework to monitor your own progress against the unit learning objectives. A low score on an assessed coursework is a signal that you need to do more work on certain topics
- Check your solution to the tutorial assignments against the 'self-study solutions' that are available on iLearn

- Use the consultation times whenever you need extra help, not just before the exam

### What is required to complete the unit satisfactorily

Students must **pass the final exam** and **pass the overall assessment** to receive a passing grade in this unit. Students are expected to spend approximately 24 hours of study for the final exam.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## Delivery and Resources

### Classes

- Teaching each week consists of the following:
  - One lecture each week (face to face) to be held on campus. The duration of each lecture is two hours per week.
  - One face-to face tutorial each week. The duration of each tutorial is one hour.
  - The timetable for classes can be found on the City Campus website at <http://student.mq.edu.au/>

Attendance will be recorded at both lectures and tutorials. **You must attend at least 9 of the 12 tutorials and lectures in order to complete satisfactory coursework requirements for this unit.** For this purpose we do not accept medical certificates for missed lectures or tutorials ; it is your responsibility to attend to at least nine lectures and tutorials.

Tutorials commence in Week 2.

On-line enrolments **will be closed at the end of week 2 so all changes must be completed**



by this date.

You can only attend and sit for the Assessed Coursework in your registered tutorial.

## Required and Recommended Texts and/or Materials

Jubb, P.B., Haswell, S.M. and I.A. Langfield-Smith, Company Accounting, 5th Edition 2010, Cengage, Melbourne.

The text can be purchased from the Macquarie University Co-op Bookshop.

This text is used extensively for both lecture references and for tutorial work in each week of the unit. Ideally students should have a copy of this text that they can access at all times. Copies of this text are available on Library Reserve.

## Technology Used and Required

You will need basic computer skills to use Macquarie University's iLearn teaching facility (refer to the detail contained below in Unit Web Page).

You will need to download documents supplied in pdf, Word or Powerpoint format.

## Unit Web Page

ACCG308 lecture handouts, notices and homework solutions will be available in full from the unit's web page. You can access the web page on campus, at work or at home, where you can login to "iLearn" <https://ilearn.mq.edu.au/login/MQ/>. Please check the web site on a regular basis for notices, updates, etc.

'Virtual tutorials', which provide detailed explanations for some self-study homework questions, are also made available for some topics.

## Unit Schedule

	Lecture Topic	Chapters
Week 1	Unit introduction, overview of regulation	Chs 1, 2 & 3
Week 2	Introductory company accounting, share issues, distributions to owners	Chs 4 & 5

<b>Week 3</b>	Company reorganisation	Ch 6
<b>Week 4</b>	Debt securities	Ch 7
<b>Week 5</b>	Business combination	Ch 16 (p. 439-454; p. 463-473)
<b>Week 6</b>	Purchase consolidation 1	Ch 17 Ch 18 (up to p. 549)
<b>Week 7</b>	Purchase consolidation 2	Ch. 19 (up to p. 605)
<b>Week 8</b>	Intra-group transactions	Ch 20 (up to p. 658)
<b>Week 9</b>	Direct non-controlling interest	Ch 21
<b>Week 10</b>	Indirect interest	Ch 23
<b>Week 11</b>	Equity accounting	Ch16 (p. 456-463) Ch 26 (up to p. 907)
<b>Week 12</b>	Receivership, voluntary administration, and liquidations	Chs 13 & 14
<b>Week 13</b>	Revision and discussion of final examination	

## Learning and Teaching Activities

### The Online Lecture - large group learning

The purpose of weekly lectures is to provide an overview of the main concepts and techniques. Each lecture will provide a framework to use when solving problems in the particular topic for that week.

### Private study – learning by doing

ACCG308 relies on assignment-based learning and private study. As part of your private study, you are expected to revise your lecture notes and read the specific textbook materials that have been prescribed on a weekly basis. Using the concepts and techniques presented in lectures and textbook materials, you are then required to prepare solutions to weekly assignment questions and exercises. You should attempt all assignment questions and exercises before attending the tutorial in which the solutions are discussed. On average the unit will require students to complete between 8 and 10 hours of private study per week.

### Tutorials – small group learning

In tutorials, tutors will assume that you have read each question or exercise and have made a reasonable attempt to answer it. You might come to class with half an answer or even less but at least you know the question or exercise and have tried to answer it to the best of your ability. Tutors will lead and manage the discussion of assignment questions and exercises and it is expected that you will actively participate in the tutorial. Active participation includes a preparedness to explain and share your answer with the class. You will not be allowed to bring last semesters' answers to the tutorial and present it as your work. Tutorials should be viewed as an active forum for any problems or difficulties that you have experienced when preparing answers. Ask your tutor questions and make good use of tutorial time, not just towards the examination but all throughout the semester.

### After tutorials – the learning process continues

Copies of the textbook solutions to the relevant weekly assignment will be placed on iLearn. While your understanding of the topic material is fresh you should review the model solutions for each weekly assignment. Check your answers against the model solutions and learn from your mistakes. Form study groups to help clarify issues but try to work independently on the questions so that you do not copy other students' answers.

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au).

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:

#### Learning outcomes

- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

#### Assessment tasks

- Report
- Online Quiz
- Final Examination

### Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary

solutions to problems.

This graduate capability is supported by:

## **Learning outcomes**

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## **Assessment tasks**

- Assessed Coursework
- Report
- Online Quiz
- Final Examination

## **Critical, Analytical and Integrative Thinking**

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

## **Learning outcomes**

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- Describe and apply the concepts for the financial statement elements set out in the Framework.
- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in

Australia (AASB 127/AASB10).

- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## Assessment tasks

- Report
- Online Quiz
- Final Examination

## Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

## Learning outcomes

- Demonstrate understanding of the theory and practice of accounting for business combinations in Australia.
- Demonstrate understanding of the theory and practice of consolidation accounting in Australia (AASB 127/AASB10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to external administration.

## Assessment tasks

- Assessed Coursework
- Report
- Final Examination

## Changes from Previous Offering

There is no change to the textbook since the last offering of this unit. There is a minor change to the assessed coursework and mark distribution: one fewer assessed coursework than in 2014.

## Lecture Summary

The first lecture (**week 1**) begins with administration of the unit. Topic areas covered include the International Accounting Standards Board, Australian equivalents of International Financial

Reporting Standards, and the *Framework*.

**Week 2** examines share issues and the elements of financial statements and how they are presented in a company's accounting records and classified in the financial statements.

**Week 3** discusses the re-organization of a company's capital. Of special interest is the share buyback, a procedure used recently by a number of high-profile companies.

**Week 4** covers different types of debt and demonstrates methods of accounting for the issue and repayment of debt.

**Week 5** considers investment in new assets, especially those that lead to business combinations, an important concept. The discussion this week is from the point of view of the acquirer of the asset. Investments are considered for a single asset, then for multiple assets that amount to a business (and those that do not); and these are contrasted with equity (share) investments in other companies. The latter may lead to the acquirer having significant influence over the other company, or control over it. The accounting in each case is different. Significant influence leads to equity accounting. Control leads to consolidation accounting. All of these are introduced in the same text chapter (Ch. 16) so that the purpose of each is compared and contrasted.

**Week 6** is the first of five weeks devoted to the study of consolidation accounting. We begin with the principles of consolidation accounting including the control criterion, the entity concept, consolidation processes and the preparation of a consolidation worksheet at control date.

**Week 7** continues the discussion of the consolidation process and the preparation of a consolidation worksheet, but this time is the application after control date.

**Week 8** covers the elimination of intra-entity transactions within a consolidated group.

**Week 9** considers impact of non-controlling interests on the consolidation worksheet.

**Week 10** covers the consolidation accounting of indirect ownership interests which can arise when there are more than two companies in the group.

**Week 11** covers the topic of equity accounting that accounts for the relationship between an investor and its associates.

**Week 12** covers the topic of external administration and specifically discusses receivership, voluntary administration and liquidations.

**Week 13** revises the unit's objectives to assist students with their final exam preparation.

## **Research and Practice**

- This unit discusses the latest research findings on corporate reporting.
- This unit provides the latest news on the development of accounting standards.
- This unit addresses global and sustainability issues as direct areas of study and as necessary implications arising from the materials, assessment and academic discussion and debate in classes/seminars. We promote sustainability by developing ability in



students to research and locate information within financial accounting. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career.