



ACCG871

Advanced Corporate Accounting

S1 Day 2016

Dept of Accounting & Corporate Governance

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Disclaimer

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General Information

Unit convenor and teaching staff

Unit Convener

Stephen Haswell

Stephen.Haswell@mq.edu.au

Contact via Stephen.Haswell@mq.edu.au

E4A210

Credit points

4

Prerequisites

ACCG612 or ACCG926

Corequisites

Co-badged status

Unit description

This is an advanced unit in financial accounting which deals with accounting for business operations conducted through a corporate group. It adopts the perspective of the practitioner. The main focus of the unit is the accounting techniques used to prepare consolidated financial statements for a corporate group. Other topics considered in the unit include the preparation of cash flow statements, accounting for income tax, accounting for business combinations, asset impairment, the translation of foreign operations, and accounting for associated entities.

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.

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/AASB 10).

Demonstrate understanding of accounting for associated companies using equity

accounting under AASB 128.

Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

General Assessment Information

Attendance at weekly classes is compulsory for this unit. To satisfy requirements for satisfactory attendance, the student must attend **TEN** of the weekly classes. A medical certificate is not required for absences from class, unless there is an assessment that they have missed that week. However, unless a student attends at least ten of the set classes, the student will not be allowed to attempt the final exam and must withdraw from the unit. Medical certificates do not exempt the student from this latter requirement, but may be used by the student to ask Macquarie administration for a W result on medical grounds.

Assessment Tasks

Name	Weighting	Due
<u>Class test</u>	24%	Weeks 6,10,12
<u>Report</u>	16%	9 May 2016
<u>Assessed coursework</u>	10%	Ongoing
<u>Final Examination</u>	50%	University Examination Period

Class test

Due: **Weeks 6,10,12**

Weighting: **24%**

There are three class tests to be completed in class in weeks 6, 10, and 12. Each test is worth 8%. In each test, students will be instructed to complete one question **individually** in a **closed book** test, so are not permitted to access the textbook, notes or other course materials. Students have to bring a calculator for each test, and will **NOT** be allowed to share calculators or access any electronic devices (e.g., phones, tablets, etc.) during the test.

Submission

Students must attempt the test in **class** in **weeks 6, 10 and 12**.

Extension

No extension will be granted.

Penalties

Students who do not complete the test will be awarded a mark of zero for the task, except for

cases in which an application for disruption to studies is made and approved.

What is required to complete satisfactorily?

Students will be expected to attend lectures weekly and to undertake independent study in preparation for the test questions. It is expected that students spend approximately 6 hours of study per test question.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Report

Due: **9 May 2016**

Weighting: **16%**

Students will be required to complete a research report individually. Detailed requirements and marking criteria of the report will be released on iLearn in week 5. The report is due by **9 am, Monday 9 May 2016** (week 9).

Details of the assignment question will be posted on i-learn.

Submission

Each student must submit a hard copy of the report to the lecturer by **9 am, Monday 9 May 2016**. Before the report is submitted, all students 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.

Extension

No extension will be granted. Late submission will not be accepted unless there is an approved Disruption to Studies.

Penalties

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?

Each student 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.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Assessed coursework

Due: **Ongoing**

Weighting: **10%**

Each week starting in week 3 students will hand up their answers to set homework questions. Randomly the teacher will select FIVE of these weekly homework assignments to be marked. Students will not know which weeks are to be collected.

Submission

The teacher will collect the answer from the students at the beginning of class. The answers must be handwritten, the student's own work and not photocopied.

Extension

No extension will be granted i.e., there will be no supplementary collection, except in cases where Disruption to Studies is approved.

Penalties

Students who do not hand up the test 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 coursework. It is expected that students spend approximately 5 hours of study for each coursework.

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Final Examination

Due: **University Examination Period**

Weighting: **50%**

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 of ACCG871 is designed to test you against the learning objectives of the unit. Students in ACCG871 for 2016 will be required to do a final exam that tests them on all the material covered during the session.

The University Examination period in the FirstHalf Year 2016 is from Tuesday 14 June to Friday 1 July. You are expected to present yourself for examination at the time and place designated in the University Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations. It is the student's responsibility to make sure that they have ascertained the room number for their exam before the exam day.

[http:// exams.mq.edu.au/](http://exams.mq.edu.au/)

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 applying for Disruption to Studies. The University's policy on Disruption to Studies process is available at: http://www.mq.edu.au/policy/docs/disruption_studies/policy.html Further details of 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 Supplementary Examination timetable of the Faculty.

Please note that the supplementary examination will be of a similar format as the final examination.

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 meantime you should be aware that the best preparation for the final exam is as follows:

- Attend lectures and take notes - what are the main points the lecturer has made?
- 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.

Expectations and Workload

Students are expected to spend 150 hours working on this unit. As a guide a student should spend these approximate amounts of time on each of the following activities:

Activities

Hours

1

Weekly lectures/tutorials

39	
2	
Class test	
18	
3	
Written report	
24	
4	
Assessed coursework	
25	
5	
Final exam	
20	
6	
Readings/self-study	
24	
TOTAL	
150	

On successful completion you will be able to:

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Delivery and Resources

Teaching staff

<u>Name</u>	<u>Email address</u>
Stephen Haswell Unit Convenor & Lecturer	Stephen.Haswell@mq.edu.au
Cissy Zhan Administrator	Cissy.Zhan@mq.edu.au

Please use email as the first form of contact. Teaching staff will receive correspondence only if sent to the unit email account above.

Contacting staff

The consultation timetable will be made available on the unit's website in week 2. Staff members are available for two hours per week for consultation starting from week 3.

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct any consultations by email. You may, however, phone staff during their consultation hours.

In order to gain access to staff located at levels 2 and 3 of building E4A during their consultation hours, please ring the staff member from the phones available in the lobby (phone numbers of relevant staff members will be provided on iLearn and are available next to the phones).

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

Classes

- There are 3 hours face-to-face teaching per week consisting of 1 x 2-hour lecture and 1 x 1-hour workshop each week. These classes are run together as one three hour session.
- The timetable for classes can be found on the University web site at:
<http://www.timetables.mq.edu.au/>

Timetable for lectures

ACCG871 requires students to attend a three hour class once per week.

<u>Day</u>	<u>Time</u>	<u>Room</u>
Monday	9 - 12 pm	E3B 113

Attendance requirements

The lecturer will record attendance each week. **You must attend at least ten of the weekly classes in order to complete satisfactory coursework requirements for this unit.** For this purpose we do not accept medical certificates for missed classes; it is up to you to organize yourself to come to at least ten classes.

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 format.

Unit Web Page

ACCG871 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.

Lectures will be audio recorded on 'iLecture' and made available on iLearn by the end of the week.

Changes Since The Last Offering of This Unit

The textbook and assessment tasks are different to that from the previous semester.

Unit Schedule

Week commencing	Lecture Topic			

Week 1 29 February	Unit introduction, overview of regulation			
Week 2 7 March	Introductory company accounting, share issues, distributions to owners			
Week 3 14 March	Company reorganisation			
Week 4 21 March	Debt securities			
Week 5 29 March	Business combination			
Week 6 4 April	Purchase consolidation 1			
MID-TERM BREAK (11th April – 22nd April)				
Week 7 25 April	Purchase consolidation 2			
Week 8 2 May	Intra-group transactions			
Week 9 9 May	Direct non-controlling interest			
Week 10 16 May	Indirect interest			

<p>Week 11</p> <p>23 May</p>	<p>Equity accounting</p>			
<p>Week 12</p> <p>30 May</p>	<p>Foreign currency translation</p>			
<p>Week 13</p> <p>6 June</p>	<p>Discussion of final examination</p>			
<p>Please see assessment guide on i-learn for full details of textbook readings and exercises.</p>				

Learning and Teaching Activities

Lecture component

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

Private study – learning by doing

ACCG871 relies heavily on assignment-based learning and private study. During your private study after each week’s lecture, you are expected to revise your lecture notes and read the specific textbook materials that have been prescribed. 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 relevant tutorial in which the solutions are discussed.

Seminar component – interactive learning

Around one hour (sometimes more) of each three hour session will be a 'tutorial/workshop' component in which students can work hands-on in exercises, ask questions, and in some weeks perform class tests.

After the 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

New Assessment Policy in effect from Session 2 2016 http://mq.edu.au/policy/docs/assessment/policy_2016.html. For more information visit http://students.mq.edu.au/events/2016/07/19/new_assessment_policy_in_place_from_session_2/

Assessment Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy prior to Session 2 2016 <http://mq.edu.au/policy/docs/grading/policy.html>

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

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.html

Disruption to Studies Policy 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/

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.

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) 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

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

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

Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Assessment tasks

- Class test
- Report
- Assessed coursework
- Final Examination

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Assessment tasks

- Class test
- Report
- Assessed coursework
- Final Examination

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Demonstrate understanding of the theory and practice of compiling company financial statements.
- 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/AASB 10).
- Demonstrate understanding of accounting for associated companies using equity accounting under AASB 128.
- Demonstrate understanding of the theory and practice related to accounting for foreign owned operations.

Assessment tasks

- Class test
- Report
- Assessed coursework
- Final Examination

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 the revaluation of assets and how they may be impaired.

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 considers how subsidiaries in foreign countries may be consolidated and the impacts of issues such as currency differences.

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

Research and Practice, Global and Sustainability

- 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.