



# ACCG871

## Advanced Corporate Accounting

S2 Evening 2016

*Dept of Accounting & Corporate Governance*

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#### **Disclaimer**

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## General Information

Unit convenor and teaching staff

Unit Convenor

Brian Millanta

[brian.millanta@mq.edu.au](mailto:brian.millanta@mq.edu.au)

Contact via (02) 98508547

E4A Room 328

Monday 4 pm to 6 pm

Rahat Munir

[rahat.munir@mq.edu.au](mailto:rahat.munir@mq.edu.au)

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 tangible and intangible assets.

## 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%	12 October 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 tangible and intangible assets.

## Report

Due: **12 October 2016**

Weighting: **16%**

Students will be required to individually complete a research report. Detailed requirements and marking criteria of the report will be released on iLearn in week 5. The report is due by **6 pm, 12 October 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 **6.10 pm, Wednesday 12 October 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 tangible and intangible assets.

## Assessed coursework

Due: **Ongoing**

Weighting: **10%**

During the semester the unit convenor will collect 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 conclusion of class. The answers must be typed/word processed, 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 tangible and intangible assets.

## 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 Second Half Year 2016 is from 14 November to 2 December. 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](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 tangible and intangible assets.

## Delivery and Resources

### Teaching staff

<u>Name</u>	<u>Email address</u>
Brian Millanta <b>Unit Convenor &amp; Lecturer</b>	brian.millanta@mq.edu.au

Please use email as the first form of contact.

### Contacting staff

The consultation timetable will be confirmed 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>
Wednesday	6 - 9 pm	E3B 112

## 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

Leo, Knapp, McGowan and Sweeting, Company Accounting, 10th Edition 2015, Wiley, Queensland.

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			

<b>Week 1</b> 3 August	Unit introduction, Financing of company operations (text chapter 2)			
<b>Week 2</b> 10 August	Financing of company operations (continued); company operations (text chapters 2 and 3)			
<b>Week 3</b> 17 August	Accounting for Company Income Tax (text chapter 6)			
<b>Week 4</b> 24 August	Property, plant and equipment (text chapter 9)			
<b>Week 5</b> 31 August	Business combination (text chapter 12)			
<b>Week 6</b> 7 September	Intangible Assets (text chapter 11)			
<b>Week 7</b> 14 September	Consolidation - controlled entities (text chapter 18)			
<b>MID-TERM BREAK (19th September – 2 October)</b>				
<b>Week 8</b> 5 October	Consolidation - wholly owned subsidiaries (text chapter 19)			
<b>Week 9</b> 12 October	Consolidation - Intra-group transactions (text chapter 20)			

<p><b>Week 10</b></p> <p>19 October</p>	<p>Consolidation - non-controlling interest (text chapter 21)</p>			
<p><b>Week 11</b></p> <p>26 October</p>	<p>Consolidation - other issues (text chapter 22)</p>			
<p><b>Week 12</b></p> <p>2 November</p>	<p>Associates and Joint Ventures (text chapter 23)</p>			
<p><b>Week 13</b></p> <p>9 November</p>	<p>General discussion of course content and of the final examination</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](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](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/](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](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](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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](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 tangible and intangible assets.

## **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 tangible and intangible assets.

## **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 tangible and intangible assets.

## Assessment tasks

- Class test
- Report
- Assessed coursework
- Final Examination

## Lecture Summary

The first lecture (**week 1**) begins with administration of the unit. We begin our consideration of the accounting issues surrounding the financing of company operations.

**Week 2** continues our consideration of accounting for financing of company operations and then examines accounting issues involved in everyday company operations.

**Week 3** discusses accounting for company income tax.

**Week 4** revises general issues relating to the accounting for property, plant and equipment, with a focus on the revaluation of non-current assets.

**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, whilst control leads to consolidation accounting, both of which are considered in detail later in the course.

**Week 6** examines the accounting issues relating to intangible assets.



**Week 7** is the first of the 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 the date control is obtained.

**Week 8** continues the discussion of the consolidation process and the preparation of a consolidation worksheet, but this time is the application after control date for wholly-owned subsidiaries .

**Week 9** covers the elimination of intra-entity transactions within a consolidated group.

**Week 10** considers impact of non-controlling interests on the consolidation worksheet.

**Week 11** covers the consolidation accounting of indirect ownership interests which can arise when there are more than two companies in the group.

**Week 12** covers the topic of equity accounting that accounts for the relationship between an investor and its associates.

**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.