



ACCG871

Advanced Corporate Accounting

S1 Day 2017

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

Contact via (02) 98508547

E4A Room 328

Thursday 1 pm to 3 pm

Rahat Munir

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 non-current assets, including revaluations and impairment losses.

General Assessment Information

Attendance at weekly classes is strongly advised for this unit. During the semester 5 weekly assignments will be collected at random with no prior warning being given. Weekly assignments can only be submitted in person by the student at the class in which they are collected. Absence from the class will result in loss of marks allocated to that weekly assignment.

Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Class test</u>	20%	No	Weeks 4 and 10
<u>Report</u>	15%	No	11 May 2017
<u>Assessed coursework</u>	10%	No	Ongoing
<u>Final Examination</u>	55%	No	University Examination Period

Class test

Due: **Weeks 4 and 10**

Weighting: **20%**

There are two class tests to be completed in class in weeks 4 and 10. Each test is worth 10%. In each test, students will be instructed to complete questions **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 4 and 10**.

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 non-current assets, including revaluations and impairment losses.

Report

Due: **11 May 2017**

Weighting: **15%**

Students will be required to individually complete a letter of advice to a fictitious client. Details regarding the assignment and marking criteria will be available on the unit's iLearn page on 28 March 2017. The report is due by **3.15 pm, 11 May 2017** (week 9).

Submission

Each student must submit a hard copy of the report to the lecturer by **3.15 pm, Thursday 11 May 2017**. The assignment is to be submitted in class on that date.

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. Your assignment must be independent work.

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 non-current assets, including revaluations and impairment losses.

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 non-current assets, including revaluations and impairment losses.

Final Examination

Due: **University Examination Period**

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 of ACCG871 is designed to test you against the learning objectives of the unit. Students in ACCG871 for 2017 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 First Half Year 2017 is from 12 June to 30 June. 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 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 non-current assets, including revaluations and impairment losses.

Delivery and Resources

Teaching staff

<u>Name</u>	<u>Email address</u>
Brian Millanta Unit Convenor & Lecturer	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>
Thursday	3 - 6 pm	E3B 218

Attendance requirements

The lecturer will record attendance each week. Y

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 the same as in the previous semester.

Unit Schedule

Unit Schedule

Week	Date	Topic and text readings
1	2 March	Unit introduction; Financing of company operations (chapter 2)
2	9 March	Financing of company operations general company operations (chapters 2 and 3)
3	16 March	Accounting for company income tax (chapter 6)

4	23 March	Accounting for property, plant and equipment (chapter 9)
5	30 March	Impairment losses (chapter 13)
6	6 April	Business combinations (chapter 12)
7	13 April	Consolidation accounting – controlled entities (chapter 18)
MID-TERM BREAK (17 April to 30 April)		
8	4 May	Consolidation accounting – wholly owned subsidiaries (chapter 19)
9	11 May	Consolidation accounting – intra-group transactions (chapter 20)
10	18 May	Consolidation accounting – non-controlling interests (chapter 21)
11	25 May	Consolidation accounting – other issues (chapter 22)
12	1 June	Associates and joint ventures (chapter 23)
13	8 June	General discussion of course content and of final examination

The unit schedule is also available at the unit's iLearn page.

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

Assessment Policy http://mq.edu.au/policy/docs/assessment/policy_2016.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 (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

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 tangible non-current assets, including revaluations and impairment losses.

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 non-current assets, including revaluations and impairment losses.

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 non-current assets, including revaluations and impairment losses.

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 impairment of non-current 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.