



# ACCG872

## Advanced Financial Reporting

S2 Day 2019

*Dept of Accounting & Corporate Governance*

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## General Information

Unit convenor and teaching staff

Associate Professor & Convenor

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Lecturer

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TBA

Moderator

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Credit points

4

Prerequisites

ACCG612 or ACCG926

Corequisites

Co-badged status

### Unit description

This unit provides students with a detailed understanding of contemporary financial reporting issues from an Australian and international perspective. The unit examines the role of the Corporations Act 2001 (Cth) and of regulatory institutions influencing the timing and content of financial reporting in Australia. Students will examine how a reporting entity must present a complete set of financial reports, including consolidated cash flow reporting. Additionally, students will examine two important accounting issues, the application of Fair Value and the legal and practical application of insolvency and liquidation, from an Australian perspective. The second part of the course builds on corporate reporting by examining the contemporary application of corporate governance disclosures, social and environmental reporting, integrated reporting, and advancements in non-financial reporting. The course closes by examining a current or impending change in Australian Accounting Standards. The unit builds on the knowledge base acquired from earlier accounting units with emphasis on the application of technical skills. The unit also provides students with an understanding of quantitative research which helps develop students' ability to read and analyse financial reports.

## 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:

Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.

Apply a selection of technical requirements to the presentation of financial statements in the Australian context and show as the ability to work in a group environment to develop solutions to complex accounting issues.

Understand and apply the concepts of insolvency and liquidation from an Australian perspective.

Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.

Critically explain, analyse, and apply principles of financial and non-financial reporting to contemporary issues and outline future directions.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>In-class Test</u>	15%	No	Week 7
<u>Class presentation</u>	15%	No	Weeks 8-12
<u>Financial Analysis Report</u>	20%	No	9 am September 30, 2019
<u>Exam</u>	50%	No	Exam period

### In-class Test

Due: **Week 7**

Weighting: **15%**

**Task Description:** In-class test **Type of Collaboration:** Individual **Submission:** In-class **Format:** Test **Length:** 1-hour **Inherent Task Requirements:** Test covering all material up to Week 6. **Late Submission:**

There are no extensions for this assessment. Students must be present in Class when the test is given or else they will receive a zero grade. This penalty does not apply to cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.
- Apply a selection of technical requirements to the presentation of financial statements in the Australian context and show as the ability to work in a group environment to develop solutions to complex accounting issues.
- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.
- Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.

### Class presentation

Due: **Weeks 8-12**

Weighting: **15%**

**Task Description:**

Presentation and report

**Type of Collaboration:** Students will be allowed to work in groups of 4. **Submission:** The full report must be submitted to Turnitin by each student by 9 am one week after the

assigned presentation date. A hard copy of the PowerPoint presentation must be handed to the lecturer, and a soft copy must be emailed (john.dumay@mq.edu.au) before beginning the presentation.

**Format:** PowerPoint presentation plus written report **Length:** 2000 words **Inherent Task Requirements:**

Students will work in groups of a maximum of 4 and choose one of the following topics as the basis of an in-class PowerPoint Presentation and a 2000-word report on the current status of the topic from a reporting perspective using examples from a specific company. The report consists of four 500 word parts

1. Define the topic;
2. Outline the regulatory requirements from a reporting perspective;
3. Identify "material" issues in business and society related to the topic and give example(s) of how the company is addressing the topic; and
4. Outline the challenges facing reporting using the topic in the future.

Each section must refer to both the general topic and provide examples from the specific company.

Each student must identify one 500-word part for individual assessment, and the group mark is based on the overall synthesis of the report. The presentation will have a 20-minute time limit and have a maximum of 14 slides which allows for an introduction and conclusion slide, and 3 slides for each part. Each student must present their own part during the PowerPoint presentation. 50% of the mark is a shared group mark and 50% will be attributed to individual students.

Topics and weeks are:

- Week 8 - Materiality
- Week 9 - Fair Value Accounting
- Week 10 - Australian Corporate Governance Guidelines
- Week 11 - Integrated Reporting
- Week 12 - Social and Environmental Reporting

**Late Submission:**

No extensions will be granted. There will be a deduction of 10% 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 – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.
- Apply a selection of technical requirements to the presentation of financial statements in

the Australian context and show as the ability to work in a group environment to develop solutions to complex accounting issues.

- Critically explain, analyse, and apply principles of financial and non-financial reporting to contemporary issues and outline future directions.

## Financial Analysis Report

Due: **9 am September 30, 2019**

Weighting: **20%**

### Task Description:

Financial Analysis Report

**Type of Collaboration:** Individual **Submission:** All essays must be submitted via Turnitin. Hard copies will not be accepted. **Format:** IDEALS Framework essay **Length:** 2000-words (+/- 10%)

### Inherent Task Requirements:

Analysis of corporate liquidity - Your role is to use the annual reports from Harvey Norman Holdings to investigate the liquidity and insolvency risk of Harvey Norman Holdings from an accounting perspective. In this maximum 2000-word essay, you must use the IDEALS framework to critically analyse the financial performance of Harvey Norman Holdings and whether or not it is in danger of becoming insolvent. Essential elements of the essay are:

- In the section 'Defining the context', you *must include a single table* of the liquidity ratios covered in class, and the Altman's Z-score for Harvey Norman Holdings and its major competitor JB Hi-Fi for at least the past three years (2017-19).
- From the context of the liquidity ratios, identify and provide reasons for selecting three core financial performance issues that Harvey Norman Holdings should address to lower the risk of insolvency. These must be linked to issues included in the Operating and Financial Review section of the Harvey Norman Holdings annual reports.
- Further discuss the strengths and weaknesses of the three key performance issues compared to its major competitor JB Hi-Fi by referring to data from the financial reports, operating and financial reviews and comparisons with retail industry benchmarks covered in class.
- To conclude the essay, identify the most important issue Harvey Norman Holdings needs to address to prevent potential insolvency.

A reference list is required and does not form part of the word count. If you disclose information without having it properly referenced, you will subject to the academic honesty and plagiarism policy. In line with the University policy and all such cases will be referred to the Faculty Discipline Committee. It is required that you use EndNote for referencing and the APA 6th Style for your reference list.

### Late Submission:

No extensions will be granted. There will be a deduction of 10% 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 – 20% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.
- Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.

## Exam

Due: **Exam period**

Weighting: **50%**

**Task Description:** Exam **Type of Collaboration:** Individual **Submission:** Exam in an examination room **Format:** Formal exam **Length:** 2-hour **Inherent Task Requirements:** Test covering all material up to Week 12, with an emphasis on material from Weeks 8-12 **Late Submission:**

There are no extensions for this assessment. Students must be present in the exam room when the examination is given or else they will receive a zero grade. This penalty does not apply to cases in which an application for special consideration is made and approved.

On successful completion you will be able to:

- Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.
- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.
- Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.
- Critically explain, analyse, and apply principles of financial and non-financial reporting to contemporary issues and outline future directions.

## Delivery and Resources

<b>Required Text:</b>	None
<b>Unit Web Page:</b>	See iLearn
<b>Technology Used and Required:</b>	Students must have a suitable computer to run EndNote and prepare documents in Microsoft Word and PowerPoint format, the ability to access the internet and the library resources. All reports must be in Microsoft Word format. PDFdocuments will not be accepted.

<b>Delivery Format and Other Details:</b>	Class lectures and presentations.	
	Students Expectations and Workload	
	Activities	Hours
	Weekly Seminars	39
	Weekly reading/Study	30
	In-class test	15
	Group presentation	15
	Report	31
	Exam	20
	Total	150
<b>Recommended Readings:</b>	Recommended Supporting Textbook: Leo et al. (2017), Company Accounting (11th Edition), Wiley, Milton, QLD.	
<b>Other Course Materials:</b>	Please see weekly readings and course materials on iLearn	

## Unit Schedule



Week 1	Introduction to Course and Critical Thinking Review	Handouts
	Review of Accounting Regulation in Australia and current issues	
Week 2	The Conceptual Framework for Financial Reporting - Current status and future issues	Handouts
Week 3	Library Research and Referencing	Handouts
	Essay Writing	
Week 4	Presentation of Financial Reports and Consolidated Cash Flows - Reading and analysing	Handouts
Week 5	Insolvency and Liquidation - Part 1	Handouts
Week 6	Insolvency and Liquidation - Part 2	Handouts
Week 7	In-class Test / Materiality	Handouts
Week 8	Materiality Presentation / Application of Fair Value Accounting	Handouts
Week 9	Application of Fair Value Accounting Presentation / Australian Corporate Governance Guidelines	Handouts
Week 10	Australian Corporate Governance Guidelines Presentation / Integrated Reporting Part 1	Handouts
Week 11	Integrated Reporting Presentation / Social and Environmental Reporting	Handouts
Week 12	Social and Environmental Reporting Presentation	Handouts
Week 13	Exam review	Handouts

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/policy-central) (<https://staff.mq.edu.au/policy-central>)

[mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central](http://mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central)). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway](http://students.mq.edu.au/support/study/student-policy-gateway) (<http://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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

- Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.
- Apply a selection of technical requirements to the presentation of financial statements in the Australian context and show as the ability to work in a group environment to develop solutions to complex accounting issues.
- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.

### Assessment tasks

- In-class Test
- Class presentation
- Financial Analysis Report
- Exam

## 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

- Understand and apply the current political, legal and regulatory aspects influencing the presentation of financial reports for Australian companies in a specific context.
- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.
- Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.
- Critically explain, analyse, and apply principles of financial and non-financial reporting to contemporary issues and outline future directions.

### Assessment tasks

- In-class Test
- Class presentation
- Financial Analysis Report
- Exam

## PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

### Learning outcomes

- Understand and apply the concepts of insolvency and liquidation from an Australian perspective.
- Use quantitative accounting information in the financial reports to make critical judgements and aid in decision making.
- Critically explain, analyse, and apply principles of financial and non-financial reporting to contemporary issues and outline future directions.

## Assessment tasks

- In-class Test
- Class presentation
- Financial Analysis Report
- Exam

## Changes from Previous Offering

The course consists of both case study research and required readings. The observations from last semester are that students did not engage enough with the required readings in their assessments, so more emphasis will be placed on the engagement with those readings. Additionally, the slides and material will be updated to reflect changes to the topics so that they remain current. The order of the presentation topics has been changed as the Materiality topic will now be covered first in week 7 as it is an important concept to understand for the report assessment and the presentations.