Unit Outline*

MGMT8502

Accounting

Quarter 4 (D10-OFF) 2010
Manila

Virgilio C. Avila

Business School

www.business.uwa.edu.au

* This Unit Outline should be read in conjunction with the Business School Unit Outline Supplement available on the Current Students website http://www.business.uwa.edu.au/students
UNIT DESCRIPTION

Introduction

“The ability to understand and make use of financial data is the cornerstone of business strategy and business decision making in all its forms.”

Welcome to Accounting 8502, a course offered by the Business School of UWA. This course is a core unit in the MBA, the MBA (Advanced) and the MBA (International) and is usually one of the first courses students will complete as part of each of these Awards. The use of financial information permeates all aspects of business decisions irrespective of the nature of a business entity. Successful business managers are those who understand the financial implications of their decisions and actions. This is not to say that all managers must possess accounting skills. Rather, managers must be able to understand and use accounting information in a way that enhances both their own effectiveness and that of the business organisation to which they belong. This course will therefore introduce and emphasise the use of accounting information in decision making. The course will provide participants with an introduction to the preparation of various types of financial statements in order to assist in understanding the structure and basis of these statements. However, the main emphasis will be on the use of the financial statements by managers.

VIRGILIO C. AVILA, MBA, CPA

Ver graduated as a magna cum laude from the University of the East with a degree of BSBA major in Accounting. He received his MBA degree with high distinction from the Graduate School of Business of the DLSU Professional Schools, Inc.

A 14th placer in the CPA board exam, he started his career at SGV and Co. To broaden his experience, he had also worked in an international trading corporation, an insurance brokerage company, a management consultancy firm, and a publicly listed real estate corporation.

He now serves as a financial consultant. He is also a senior lecturer and a training facilitator at the School of Management of the University of Asia and the Pacific. He is likewise an assistant professor at the Graduate School of Business of the De La Salle University.

His more significant projects included the preparation of a five-year financial projections and analysis of a high rise building project at the country’s premier central business district. He assisted in the selection of foreign consultants and management company in connection with a resort hotel project in Mactan Island.

He rendered executive coaching to a key officer of an electronics company and to an owner of a restaurant establishment. He prepared five-year projected financial statements for an existing food company and a three-year financial plan for a proposed community business development centre.

He developed and delivered a financial module for a multinational pharmaceutical firm. He performed financial modelling to assess the economic impact of the proposed REITS act. He co-authored the textbook – Accounting: Basic Concepts, Principles and Applications.


**Unit content**

The first part of the programme will provide the skills necessary to read and interpret those financial statements, which are normally prepared for users external to the entity, i.e. the Income Statement, the Balance Sheet, and the Statement of Cash Flows. We will then look at questions relating to the performance of the entity. In order to obtain a better understanding of the usefulness of the information provided in these statements we will also examine the conceptual basis for financial accounting. The second part of the programme will focus primarily on the types of accounting information made available within the entity. Topics in the second part of the unit include the use of accounting information in planning, control, decision making, and performance measurement. One important lesson to be learned from this part of the course is that accounting information may be constructed and used in different ways for different purposes.

**The Goal of the unit**

The first part of the programme will provide the skills necessary to read and interpret those financial statements, which are normally prepared for users external to the entity, i.e. the Income Statement, the Balance Sheet, and the Statement of Cash Flows. We will then look at questions relating to the performance of the entity. In order to obtain a better understanding of the usefulness of the information provided in these statements we will also examine the conceptual basis for financial accounting. The second part of the programme will focus primarily on the types of accounting information made available within the entity. Topics in the second part of the unit include the use of accounting information in planning, control, decision making, and performance measurement. One important lesson to be learned from this part of the course is that accounting information may be constructed and used in different ways for different purposes.

**Learning outcomes**

On completion of this unit, you should be able to:

- Understand the concepts and be aware of the major requirements impacting upon the preparation of conventional financial statements;
- Analyse and interpret information contained in those financial statements (with particular emphasis on using ratio analysis and cash flow analysis) bearing in mind the inherent limitations of such information;
- Understand the different purposes for preparing accounting information for internal users;
- Explain and apply the different concepts of costs to business decisions; and
- Understand the uses and issues associated with budgets as a management tool.
Educational Principles and Graduate Attributes

On completion of this unit, you should be able to:

• Understand the concepts and be aware of the major requirements impacting upon the preparation of conventional financial statements;

• Analyse and interpret information contained in those financial statements (with particular emphasis on using ratio analysis and cash flow analysis) bearing in mind the inherent limitations of such information;

• Understand the different purposes for preparing accounting information for internal users;

• Explain and apply the different concepts of costs to business decisions; and

• Understand the uses and issues associated with budgets as a management tool.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies

Your key resources for this unit are:

1. This Student Guide;
2. The Accounting Session Guide;
3. The textbook;
4. The lecturer and the tutor;
5. Your fellow students;

The Student Guide and Session Guide are provided through your enrolment in MGMT8502 Accounting. You are required to purchase the textbook. Bring the guides and textbook to each class.

Student Guide

This student guide is your course outline. It summarizes the aims and objectives of the unit and gives an overview of what to expect in each class session. It also contains details of the method of course assessment and contains assignment material. You should familiarize yourself with the guide before the first session. If you have any questions about the guide or about aspects of the course not covered in the guide please raise them in the first session.

Session Guide

The Session Guide provides details of the topics to be covered in each lecture and the major references. Reference is made to the text Mike Bazley & Phil Hancock (MBPH).

• read the assigned material in the text prior to coming to class;
• answer the review questions at the end of each chapter prior to coming to class. The review questions cover the basic concepts. It is extremely important that you understand these basic concepts - anything that is unclear can be brought up in class discussions; and

• read any additional articles/readings assigned;

The Session Guide also provides the topics to be reviewed in each tutorial. At the end of each chapter in the text are: review questions; problems for discussion and analysis; and case studies. To properly prepare for the tutorials you should:

• review the assigned chapters from the text;

• review your lecture notes from the relevant block teaching session;

• prepare answers to the tutorial questions listed for discussion;

• review any additional articles/readings assigned; and

• make a note of any questions you wish to ask your tutor.

Teaching and learning evaluation

You may be asked to complete two evaluations during this unit. The Student Perception of Teaching (SPOT) and the Students’ Unit Reflective Feedback (SURF). The SPOT is optional and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university wide survey and deals only with the unit. You will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.

Attendance

Participation in class, whether it is listening to a lecture or getting involved in other activities, is an important part of the learning process. It is therefore important that you attend classes. More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminars and tutorials’. Students should not expect to obtain approval to miss more than two classes per unit unless there are exceptional circumstances.
CONTACT DETAILS

We strongly advise students to regularly access their student email accounts. Important information regarding the unit is often communicated by email and will not be automatically forwarded to private email addresses.

<table>
<thead>
<tr>
<th>Unit coordinator/lecturer</th>
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<tbody>
<tr>
<td><strong>Name:</strong> Virgilio C. Avila</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:vcavila@yahoo.com">vcavila@yahoo.com</a></td>
</tr>
<tr>
<td><strong>Phone:</strong> 0917-607-6484</td>
</tr>
<tr>
<td><strong>Consultation hours:</strong> By appointment</td>
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<table>
<thead>
<tr>
<th>Lecture times:</th>
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<tbody>
<tr>
<td><strong>Block 1</strong></td>
</tr>
<tr>
<td>19 September – 9.00am – 6.00pm</td>
</tr>
<tr>
<td>20 September – 6.00pm – 9.00pm</td>
</tr>
<tr>
<td>21 September – 6.00pm – 9.00pm</td>
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<tr>
<td><strong>Block 2</strong></td>
</tr>
<tr>
<td>17 October – 9.00am – 6.00pm</td>
</tr>
<tr>
<td>18 October – 6.00pm – 9.00pm</td>
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<tr>
<td>19 October – 6.00pm – 9.00pm</td>
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<table>
<thead>
<tr>
<th>Tutorial times:</th>
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</thead>
<tbody>
<tr>
<td>30 Sept, 7 Oct and 5 &amp; 11 November</td>
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<table>
<thead>
<tr>
<th>Lecture venue:</th>
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</thead>
<tbody>
<tr>
<td>Ground floor, Makati Stock Exchange Building, Ayala Avenue, Makati City</td>
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TEXTBOOK(S) & RESOURCES

Unit Website


Recommended/required text(s)


Software requirements

* Word processing and spreadsheet packages will be useful.
### Additional resources & reading material

The following journals and newspapers are all very good references for current issues facing the accounting profession and can all be found within the Business Library system (i.e. either in hard copy or electronically). As this course is designed to address the needs of managers as users of accounting information you may find that your best source for additional reading is something like the Straits Times, South China Morning Post, Asian Business Review Australian Financial Review or the UK Financial Times. Using current business transactions and events reported in these newspapers is a good way to challenge your understanding of the concepts and learning outcomes we are addressing in this unit.

- Accounting Horizons; Sarasota
- The Accounting Review; Sarasota
- Accounting Today; New York
- Australian Accounting Review; Melbourne
- Contemporary Accounting Research; Toronto
- Journal of Accounting Research; Chicago
- Journal of Business Finance & Accounting; Oxford
- Journal of Management Accounting Research; Sarasota

### UNIT SCHEDULE

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Reference (MBPH)</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>19 Sept (9-10am)</td>
<td>Introduction to Accounting</td>
<td>Chapter 1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>19 Sept (10-12pm)</td>
<td>The Financial Reporting Framework</td>
<td>Chapter 2</td>
<td>IASC Framework</td>
</tr>
<tr>
<td>3</td>
<td>19 Sept (1-3pm)</td>
<td>Wealth and the Measurement of Profit</td>
<td>Chapter 3</td>
<td>IASC Framework</td>
</tr>
<tr>
<td>4</td>
<td>19 Sept (3-6pm)</td>
<td>Presentation of Financial Position and the Worksheet</td>
<td>Chapter 4</td>
<td></td>
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<tr>
<td>5</td>
<td>20 Sept (6-9pm)</td>
<td>Presentation of Financial Performance and the Worksheet</td>
<td>Chapter 5</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>21 Sept (6-7pm)</td>
<td>Debtors, Creditors, Accruals and Prepayments</td>
<td>Chapter 6</td>
<td></td>
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<tr>
<td>7</td>
<td>21 Sept (7-9pm)</td>
<td>Inventories and Work in Progress</td>
<td>Chapter 7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>30 Sept (6-9pm)</td>
<td>Tutorials</td>
<td>Review of Chapters 1-4</td>
<td></td>
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<tr>
<td>9</td>
<td>07 Oct (6-9pm)</td>
<td>Tutorials</td>
<td></td>
<td>Review of Chapters 5-7</td>
</tr>
<tr>
<td>10</td>
<td>17 Oct (9-12pm)</td>
<td>Mid-Term Exam</td>
<td></td>
<td></td>
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<tr>
<td>11</td>
<td>17 Oct (1-3pm)</td>
<td>Non-Current Assets and Depreciation</td>
<td>Chapter 8</td>
<td></td>
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<tr>
<td>12</td>
<td>17 Oct (3-6pm)</td>
<td>Internal Control of Cash, Cash Flow Statement and Other Issues</td>
<td>Chapter 11</td>
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Assessment Mechanism

The purpose of assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work provides you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Assessment mechanism summary

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid term exam</td>
<td>20%</td>
<td>17th October, 2010</td>
</tr>
<tr>
<td>Group Assignment</td>
<td>20%</td>
<td>5th November 2010</td>
</tr>
<tr>
<td>Final exam</td>
<td>50%</td>
<td>20th November 2010</td>
</tr>
<tr>
<td>Participation</td>
<td>10%</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Note 1: Results may be subject to scaling and standardisation under faculty policy and are not necessarily the sum of the component parts.

Note 2: The grade FC indicates failure to complete an identified essential assessment component and means failure of the unit.

Note 3: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning outcomes as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the unit.
Assessment components

Assessment 1: Mid Term Examination (20%)

This open book exam will be completed in class on Sunday 17th October 2010. The exam will cover chapters 1-7 of the text book and will be comprised of multiple choice and problem solving questions. You will have 3 hours and 10 minutes to complete.

Assessment 2: Group Assignment (20%)

For the purpose of the team project paper, students should form a group. The number of members in a group should not exceed three (3). The group will obtain the financial statements of the assigned company for the years 2009, 2008, and 2007 and compute the profitability, efficiency, short-term and long-term solvency, and market-based ratios discussed in chapter 13 of the textbook. The group will analyze the company using the financial statements and ratios as bases. The team project paper should include an industry background and a company background and will be graded based on the following criteria:

Organization (order, coherence, grammar and sentence construction) - 20%
Content (completeness and accuracy of information, typing quality) - 40%
Analysis (depth and logic) - 40%

10% will be deducted if the team project paper exceeds the maximum number of words allowed.

• All assignments should be typed in double spacing on one side only of single sheets of A4 Paper
• Leave a margin of at least 4 cm on the left of each page for the assessor’s comments
• All assignments should include a cover sheet with the following details:
  ➢ Unit title and code
  ➢ Assignment Due Date
  ➢ Word Count
  ➢ Student ID’s

• Please DO NOT forget to include your student name on any assignments
• Maximum of 2,500 words (excluding appendices and references)
• The final mark for each student may be modified based on the peer evaluation forms to be given out in class.

Assessment 3: Final Examination (50%)

This open book exam will be held on Saturday 20th November 2010. The exam will cover all chapters of the text book and will be comprised of multiple choice and problem solving questions. You will have 3 hours and 10 minutes to complete.

Assessment 4: Participation (10%)

The quality and frequency of input from each student will be taken into consideration when calculating the marks for this assessment component.
Submission of Assignments

Assignments should be submitted in class. A standard cover sheet should be used and a receipt will be issued. Late assignments will attract a penalty of 5% per day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned. It is the intention that the marked assignments will be returned within two weeks of submission.

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work provides you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Please remember to attach an Assignment Cover Sheet to the front of your assignment. You can download and print your Assignment Cover Sheet from the Current Students web page http://www.business.uwa.edu.au/students/assessments

Student Guild

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