Unit Outline*

ACCT2201

Introduction to Corporate Accounting

Semester 2, 2011
Crawley Campus

Unit Coordinator: Mr John Hoggett

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 web site http://www.business.uwa.edu.au/students
UNIT DESCRIPTION

Introduction
Welcome to ACCT2201 Introduction to Corporate Accounting, the second unit in the sequence of financial accounting units. Following this unit are the units: ACCT2202 Advanced Corporate Accounting; ACCT3321 Financial Accounting: Theory and Practice; and ACCT3202 Financial Statement Analysis/ACCT2207 Business Analysis and Valuation.

ACCT2201 is an intermediate course in financial accounting with a primary focus on accounting for companies. Current Australian practice is examined and integrated with broader theoretical perspectives, seeking to provide the student with a comprehensive and up to date understanding of the key issues. The unit covers accounting for the main life stages of a corporation: start up, growth and winding up.

In addition to gaining specific skills in accounting for corporate activity you will also be equipped with the knowledge to research, analyse and critique current corporate accounting practice in Australia.

Unit content
The main areas covered include: The nature of companies and their financing; accounting for income tax; intangibles and goodwill; disclosures in the annual report; accounting for acquisitions; company liquidations; and consolidated financial statements. Other significant issues in the current corporate accounting environment will also be examined.

The Goal of the unit
The overall aims of ACCT2201 are to develop your understanding of current issues in the field of corporate financial reporting, formulate skills via the application of Australian Accounting Standards, to gain insight into accounting for the various stages of Australian corporations’ life cycle and to encourage your interest in accounting as a profession.

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

• Explain and discuss the theoretical principles behind corporate financial reporting.
• Critically evaluate the appropriateness of accounting requirements.
• Interpret and apply the specific requirements of a range of Accounting Standards issued by the Australian Accounting Standards Board (AASB).
• Apply the principles of accounting for income tax, and identify and analyse the differences between the accounting and tax treatments for various transactions.
• Account for non-current assets, with a particular focus on goodwill and its nature.
• Account for liquidations and/or business combinations.
• Discuss and apply the concepts of consolidation to the preparation of consolidated financial statements for wholly and partially-owned entities.

Educational principles and graduate attributes
In this unit, you will be encouraged and facilitated to develop the ability and desire to:

• master the subject matter, concepts and techniques at an internationally-recognised level and standard;
• acquire the skills required to learn, and to continue through life to learn, from a variety of sources and experiences;
• adapt acquired knowledge to new situations;
• communicate in English clearly, concisely and logically;
• acquire the skills needed to embrace rapidly-changing technologies in a global environment;
• think and reason logically and creatively;
• undertake problem identification, analysis and solution;
• question accepted wisdom and be open to new ideas and possibilities;
• acquire mature judgement and responsibility in ethical, moral, social, and practical, as well as academic matters; and
• work independently and in a team.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies
Introduction to Corporate Accounting is a challenging subject and is highly integrated from week to week. If you slip behind you will have difficulty catching up. The unit consists of the text book and assigned readings, lectures, tutorials, WebCT, problems and an independent examination. To gain the most from this unit you are encouraged to adopt the following strategy:

i. Read the Textbook and Assigned Readings: This introduces the topic and provides a comprehensive review of the material you need to know. Unless explicitly stated otherwise, all sections of an assigned textbook chapter and the readings are examinable even if not directly referred to in other learning components.

ii. Attend the Lecture: This will contextualise the readings and review additional areas not sufficiently developed. There will be an emphasis on the background theory but also significant practical issues will be examined and explained. The lectures will be made available through the Lectopia system; however, I recommend you make every effort to attend the lectures 'live'. Some information is not conveyed well through the recording system, and there is always the risk that there will be a hitch with the technology and a lecture will not be available.

iii. Review WebCT: In addition to providing supplementary support to develop understanding and to access the tutorial solutions, there will also be online quizzes within the WebCT site to be completed which test basic knowledge.

iv. Attempt Tutorial and Practice Questions: The tutorials are vital for reviewing theoretical understanding and consolidating practical knowledge. Although these will not be assessed you are strongly encouraged to make a solid attempt at the questions (at least 3-4 hours of preparation is expected each week). This will put you in the best position to focus on areas of concern during the tutorial. Given the comprehensive nature of this topic you can expect tutorials to move at a quick pace, and it is only through preparation that you will know which areas you want the tutor to focus on.

The lecturer and tutors are here to support you in your learning process; however, the emphasis must be on you to be responsible for your own learning. Should issues or concerns arise please do not hesitate to contact the teaching staff, as it is important that issues affecting your learning are dealt with on a timely basis.

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. Units are periodically evaluated and the feedback you provide will be taken into account when this unit is updated.

This unit has been enhanced based on prior feedback including:

• “Work through the tutorial questions and explain the concepts during class and highlight the key issues to focus on”
• Tutorials provide sufficient time for students to obtain feedback on problems during class time and to benefit from group discussion on the intricacies of the technical content which is prevalent in this course.

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’.

Attendance at tutorials (and preparation beforehand) is considered a critical element for success in this unit. Tutorials provide students with the opportunity to obtain direct feedback and guidance from the tutor on areas that are particularly challenging.

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>
<th>Name: Mr John Hoggett</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email:</td>
<td><a href="mailto:john.hoggett@uwa.edu.au">john.hoggett@uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>(08) 6488 5844</td>
</tr>
<tr>
<td>Consultation hours:</td>
<td>TBA</td>
</tr>
<tr>
<td>Lecture times:</td>
<td>Wednesday 3pm – 5pm</td>
</tr>
<tr>
<td>Lecture venues:</td>
<td>Chemistry: Tattersall Lecture Theatre</td>
</tr>
<tr>
<td>Tutor:</td>
<td>Ms Mei-Hsiu Chen</td>
</tr>
</tbody>
</table>
TEXTBOOK(S) & RESOURCES

Unit Website

The unit’s web presence is through the UWA WebCT site (http://webct.uwa.edu.au/). The Unit Coordinator is able to assist if you have WebCT access but are unable to see the ACCT2201 Introduction to Corporate Accounting Unit specifically. All other questions should be directed to the WebCT Student Help Desk.

All course handouts, important announcements, additional readings and Lectopia will be accessed through the website. This is also where the Online Quizzes (worth 15% of your overall assessment) will be undertaken. Students will also have access to information about their ongoing assessment and results through the MyGrades tool in WebCT.

During the semester, students are expected to check the WebCT site and their email accounts at least once per week. The unit coordinator will post information on the WebCT site on a routine basis as well as sending information via email messages.

Recommended/required text(s)

The text required for this unit is:


We will use many chapters from this book and it will be the source for most of the tutorials. It is required that you purchase your own copy. Also note that it must be the 8th edition because of the changes to Australian Accounting Standards and International Accounting Standards that took place in 2008 which renders several of the chapters in the 7th edition as completely outdated. Copies of the 8th edition will be available in the library closed reserve section.

Additional resources & reading material

There are a number of texts that may support you in your learning. Whilst it is certainly NOT suggested that you purchase these books separately, they may provide useful additional insight into areas you find challenging. Copies of the recommended readings below will be placed in Closed Reserve in the Business Section of the Reid Library for your use. Some chapters from selected texts are available online. To access these chapters use the CMO link on the ACCT2201 WebCT page.

To Review Basic Principles:


If you are keen to access the Australian accounting standards you can use the links on the ACCT2201 unit's WebCT site to locate these resources. Access to electronic copies of the International accounting standards (issued by the International Accounting Standards Board) is through the UWA library’s website. You can find the link to access the International Accounting Standards via the UWA library on the ACCT2201 unit’s Course Materials Online (CMO) page. A link to the CMO page is provided on the unit’s WebCT page.

## UNIT SCHEDULE

<table>
<thead>
<tr>
<th>Week # / Week Starting</th>
<th>Lecture Topic</th>
<th>Tutorial Preparation Questions*</th>
<th>Readings*</th>
<th>Notes*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1 1 August</td>
<td>Nature &amp; Regulation of Companies</td>
<td>LHSR: Ch 1: RQs 1, 6 &amp; 13</td>
<td>LHSR: Ch 1, 3 &amp; 10</td>
<td>Practice Quiz Available until 14 August 9pm</td>
</tr>
<tr>
<td></td>
<td>The Role of Accounting in the Corporation, Review of Conceptual Framework and General Purpose Financial Statements</td>
<td>Ch 3: RQ 8 CSI Ch 10: RQ 6; PQ 10.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 2 8 August</td>
<td>Forming a company, Financing company operations, Profits, Reserves and Distributions to owners</td>
<td>LHSR: Ch 2 &amp; 3</td>
<td></td>
<td>Practice Quiz Available until 14 August 9pm</td>
</tr>
<tr>
<td></td>
<td>Navigating the Financial Statements &amp; Corporate Governance By Ernst &amp; Young</td>
<td>LHSR: Ch 11 &amp; 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 3 15 August</td>
<td>Accounting for Income Tax Part 1</td>
<td>LHSR: Ch 11: PQs 11.4 &amp; 11.10 Ch 12: RQ 2; CS 12.2; DQ 2</td>
<td>LHSR: Ch 4</td>
<td>Quiz 1 due 28 August by 9pm</td>
</tr>
<tr>
<td></td>
<td>Income Tax Part 2 Property, Plant &amp; Equipment</td>
<td>LHSR: Ch 4: RQs 1, 2, 3, 4 &amp; 13; PQs 4.3 &amp; 4.13 (part A)</td>
<td>LHSR: Ch 4 &amp; 5</td>
<td></td>
</tr>
<tr>
<td>Week 6 5 Sept</td>
<td>Liquidation of Companies</td>
<td>LHSR: Ch 4: RQ 8; PQs 4.6 &amp; 4.13 (parts B &amp; C only) Ch 5: PQ 5.15</td>
<td>LHSR: Ch 20</td>
<td></td>
</tr>
<tr>
<td>Week 7</td>
<td>12 Sept</td>
<td>Business Combinations (Discussion on Goodwill and Impairments – LHSR Chs 7 &amp; 9 background reading)</td>
<td><strong>LHSR:</strong> Ch 20: RQs 1 &amp; 8; PQs 20.3 &amp; 20.12</td>
<td><strong>LHSR:</strong> Ch 8</td>
</tr>
<tr>
<td>--------</td>
<td>---------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Week 8</td>
<td>19 Sept</td>
<td>Consolidations: Introduction Consolidations: Wholly owned subsidiaries part 1</td>
<td><strong>LHSR:</strong> Ch 8: RQs 5 &amp; 7 CS 3; PQs 8.12 &amp; 8.15</td>
<td><strong>LHSR:</strong> Ch 14 &amp; 15</td>
</tr>
</tbody>
</table>

**Mid-semester Break Week (26 September to 30 September)**

<table>
<thead>
<tr>
<th>Week 9</th>
<th>3 October</th>
<th>Consolidations: Wholly owned subsidiaries part 2</th>
<th><strong>LHSR:</strong> Ch 14: RQs 4 &amp; 5; CS 6; PQs 15.4 (part 1) &amp; 15.11 (part A)</th>
<th><strong>LHSR:</strong> Ch 15</th>
<th>Group Assign due 12 noon 5 October</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wk 10</td>
<td>10 Oct</td>
<td>Consolidations: Intra-group Transactions</td>
<td><strong>LHSR:</strong> Ch 15: PQs 15.6 &amp; 15.15</td>
<td><strong>LHSR:</strong> Ch 16</td>
<td></td>
</tr>
<tr>
<td>Wk 11</td>
<td>17 Oct</td>
<td>Consolidations: Non-Controlling interests</td>
<td><strong>LHSR:</strong> Ch 16: PQs 16.2 &amp; 16.13</td>
<td><strong>LHSR:</strong> Ch 17</td>
<td></td>
</tr>
<tr>
<td>Wk 12</td>
<td>24 Oct</td>
<td>Equity Accounting</td>
<td><strong>LHSR:</strong> Ch 17: RQ 2, PQs 17.1 &amp; 17.11</td>
<td><strong>LHSR:</strong> Ch 19</td>
<td>Quiz 3 due 30 October by 9pm</td>
</tr>
<tr>
<td>Wk 13</td>
<td>31 Oct</td>
<td>Consolidations: Wrap Up Topic Summary &amp; Exam Review</td>
<td><strong>LHSR:</strong> Ch 19: RQ 2; PQs 19.2 &amp; 19.10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes to table:**

* The following acronyms are used in the above table:

  - **RQs** = Review Questions (at the end of each chapter)
  - **CS** = Case Study (at the end of each chapter following in the pages following the Review Questions)
  - **PQs** = Practice Questions (at the end of each chapter in the pages following the Case Studies)
  - **Ch** = Chapter

^ The Online Quizzes will be accessible through WebCT during the week indicated. They will be one hour in duration.
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 with an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process. Tutorial attendance is critical to your success in this unit. The concepts and skills you will develop in this unit are built up incrementally from week to week in both independent study and the tutorials. In ACCT2201, discussion of the theoretical principles behind corporate financial reporting is encouraged during tutorials. The tutorials will provide you with the opportunity to see worked problems that apply the specific requirements of a range of Australian and International accounting standards. Tutorial attendance, when used effectively, will assist you in developing the background to enable you to complete the Group Assignment, Online Quizzes and Final Exam. The teaching faculty of ACCT2201 will be able to provide you with feedback on questions in the tutorials. Tutorial attendance is your opportunity to seek feedback from week to week and ensure you are up to date with the relevant material.

Group Assignments provide an opportunity for you to develop and enhance your ability to explain, discuss and account for corporate accounting topics covered in this unit. Preforming this task as a team is a beneficial experience as it develops your interpersonal skills, team time management skills and communication skills. The Group Assignment is designed to provide a simulation of the working environment where you are likely to be placed in a team to perform tasks. The Group Assignment will involve the interpretation and analysis of a set of information about one or more corporate entities and a set of transactions these corporate entities have entered into. Based on the information, as well as your interpretation and analysis, you will then be required to perform tasks such as preparing: (i) journal entries for a set of transactions; (ii) ledger accounts; (iii) a trial balance; (iv) a set of financial statements prepared in accordance with accounting standards, (iv) income tax, and (v) liquidation. It is recommended that a discussion and a time management plan will need to be formulated by the group members. It is critical that you check each other’s work for quality prior to submission. Groups in past semesters who have not checked each other’s work prior to the submission date have been less successful in the results they have achieved. The Group Assignment will be returned to you with feedback from the teaching faculty. The feedback you will receive will provide you with guidance on your understanding of the material covered in the unit.

The Online Quizzes are undertaken individually and also require time-management skills. It is your responsibility to see that you set aside time within the weeks that the quizzes are available to prepare for each quiz and to undertake the quizzes. The Online Quizzes are performed and submitted within a one hour time limit. This time limit is an effective preparation for the deadlines that you will work under in the professional world. In this assessment item you will demonstrate the learning outcomes of the unit (see the learning outcomes section of this unit outline).

The Final Exam for this unit will examine all topics covered, including those in lectures, tutorials, indicated textbook chapters and readings. The purpose of this assessment item is for you to demonstrate your ability to discuss, analyse, interpret, explain and account for the topics that have been covered in the unit.
**Assessment mechanism summary**

<table>
<thead>
<tr>
<th>Item</th>
<th>Weight</th>
<th>Due date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>WebCT Quizzes</td>
<td>15%</td>
<td>On going</td>
<td>There will be one Practice Quiz available at the start of semester. Thereafter, there will be three (3) assessable quizzes. The Practice Quiz will not form part of the assessment.</td>
</tr>
<tr>
<td>Group Assignment</td>
<td>15%</td>
<td>12 noon Wednesday, 5 October</td>
<td></td>
</tr>
<tr>
<td>Final exam</td>
<td>70%</td>
<td>To be advised by the</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Examinations Office</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></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:** 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**

**WebCT Quizzes**

- The WebCT quizzes are designed provide you with immediate and continuous feedback on the appropriateness of your ongoing knowledge and your engagement with the topic. There will be three (3) quizzes that form part of the assessment in this unit. In addition, there will be a Practice Quiz available at the start of semester as a refresher to ACCT1101. The Practice Quiz does not form part of the assessment. Each quiz will only be available for the week to which it is assigned and is accessed through the unit’s WebCT page. Each quiz will consist of between 10 and 15 questions which may be a mix of multiple choice and numeric answer type questions. Quizzes will open at 9am on the Monday morning indicated on WebCT and will close at 9pm on the following Sunday. Quizzes are one hour in duration from when you first enter the quiz. If you close out of the quiz before the hour has elapsed the timer will continue to run until the 1 hour is elapsed.

- The marking criterion is based solely on the number of questions correctly answered. There will be a practice quiz available online for the first two weeks of semester. Failure to attempt or successfully complete a quiz within the specified time frame will lead to a mark of zero for that quiz.

- A student who, for very specific reasons, is unable to complete a given quiz must contact the unit coordinator as soon as possible and provide documentary evidence so that alternative arrangements can be made.

- Any technical problems should be reported to the Student Internet Support Office (SISO) on 6488 3814 or support@student.uwa.edu.au after business hours. To assist in the timely resolution of the problem please ensure that you have details of your web browser, any error messages encountered and screen-shots taken of the situation where possible.
<table>
<thead>
<tr>
<th>Quiz No.</th>
<th>LHSR Chapters covered in the quiz</th>
<th>Open date and time on WebCT</th>
<th>Close date and time on WebCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practice Quiz</td>
<td>Practice – things you should know from ACCT1101</td>
<td>1 August at 9am</td>
<td>14 August at 9pm</td>
</tr>
<tr>
<td>1</td>
<td>Chapters 1, 2, 3, 10, 11 &amp; 12</td>
<td>22 August at 9am</td>
<td>28 August at 9pm</td>
</tr>
<tr>
<td>2</td>
<td>Chapters 4, 5 &amp; 20</td>
<td>12 September at 9am</td>
<td>18 September at 9pm</td>
</tr>
<tr>
<td>3</td>
<td>Chapters 8, 14, 15, 16 &amp; 17</td>
<td>24 October at 9am</td>
<td>30 October at 9pm</td>
</tr>
</tbody>
</table>

**Group Assignment**

- The group assignment is designed to be a formative assessment in that they will give feedback on your understanding of key components of the course. While it is a group assignment; students are required to be familiar with the definitions of Academic Misconduct. Inappropriate collaboration across groups and plagiarism will lead to the enforcement of penalties.
- Full details of the Group Assignment requirements will be made available in a separate handout on WebCT. The submission time and date is: 12noon, Wednesday 5 October.
- A hard copy of your completed assignment should be handed in at the Student Centre Counter, on the ground floor of the Business School Building, by the due date. Only one assignment can be submitted per group. Late penalties will be applied to assignments date stamped later than the required submission time, the initial penalty will be a 20% reduction in the student’s mark increasing by 20% for every working day thereafter.
- Extensions can only be granted by the unit coordinator. There must be a legitimate reason, with documentary evidence provided, for late submission without penalty.
- Students should work in groups of 4 for the group assignment. Groups are to be formed within each tutorial. In the event that groups of 4 cannot be formed within a tutorial, permission should be sought from the Unit Coordinator to form groups across tutorials. It is recommended that groups are formed as early as possible during semester and group registration for each tutorial will be finalised by Week 4. All group members will receive the same mark for the assignment submitted. We require that you work in a group in order to benefit from the collaboration and to potentially use your assignment group as a study group in the lead up to the final exam.

**Final Exam**

- The end of semester examination in ACCT2201 will comprise both theoretical and practical questions.
- This assessment is designed to be summative in nature and, as such, will cover all topics covered in this unit.
- The duration of the final exam will be 3 hours and 10 minutes.
- Note that material previously covered in ACCT1101 Financial Accounting (or its equivalent) is assumed knowledge and may be relevant to the final exam.
- Final details on the format of the exam and the best method of preparation will be distributed closer to the end of semester.
Submission of assignments

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

All assignments completed in a group must have a Group Coversheet attached to the front which provides the full details of both group members. Only one copy of the assignment can be submitted per group. All coversheets must be signed and dated. Details on the return of assignments will be posted on WebCT.

Assignments in this unit are to be submitted to the Undergraduate Student Centre counter on the ground floor of the Business School Building.

Student Guild

Phone: (+61 8) 6488 2295
Facsimile: (+61 8) 6488 1041
E-mail: enquiries@guild.uwa.edu.au
Website: http://www.guild.uwa.edu.au

Charter of Student Rights and Responsibilities

Appeals against academic assessment
The University provides the opportunity for students to lodge an appeal against assessment results and/or progress status (refer http://www.secretariat.uwa.edu.au/home/policies/appeals ).