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OF QUEENSLAND

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COMM7302 – Financial Accounting

St Lucia Campus Semester 2, 2003

Units:	2
Prerequisites:	COMM1301 or COMM7301
Incompatibles:	COMM3304 or COMM3305 Companion: COMM7501
Corequisites:	Nil
Assumed Background:	Nil

Contact Information

Description	Name	Office	Phone	Email
Course co-ordinator	Ms J. Campbell	Colin Clark (39) Room 550A	3365 6185	j.campbell@business.uq.edu.au

1.0 COURSE OVERVIEW

Before attempting this course, students are advised that it is important to complete the appropriate prerequisite course(s) listed on the front of this course profile. No responsibility will be accepted by the School of Business, the Faculty of Business, Economics and Law: or the University of Queensland for poor student performance occurring in courses where the appropriate prerequisite(s) has/have not been completed, for any reason whatsoever.

This course is concerned with external reporting with particular emphasis on companies listed on the Australian Stock Exchange. The focus of the course is the regulation and content of financial reports and the reasons for alternative accounting techniques used in such reports. COMM7302 is for people who will be involved in the preparation and/or use of financial statements whether as accountants, auditors, financial analysts or investors.

2.0 OBJECTIVES

On completion of COMM7302, the material covered should provide students with:

1. an understanding of the alternative accounting techniques and issues relating to their application;
2. the ability to recognise the economic consequences of alternative accounting techniques;
3. an awareness of the determinants of firms' choice among accounting alternatives;
4. knowledge of the frequency of use of particular techniques by Australian companies; and
5. an overview of the nature of relevant research into topics covered in the course.

3.0 GRADUATE ATTRIBUTES

The University of Queensland has proposed that all its graduates will have in–depth knowledge of the field(s) studied. Furthermore each graduate will display effective communication skills, independence and creativity, critical judgment and ethical and social understanding. These attributes reflect the broad nature of a graduate's required skill set. The skill set builds upon the culture of inquiry and innovation that are part of a research university, as well as embedding the need to exhibit effective interpersonal skills and a broad understanding of social and ethical responsibilities. The School of Business is currently in the process of ensuring that all of our programs allow students to develop these attributes.

4.0 TEACHING AND LEARNING MODES

4.1 Lecture/Whole Group Sessions

During semester 2, 2003, COMM7302 lectures are offered at the times shown below.

TIME AND LOCATIONS:

- Thursday,10–1pm – Room 39–104
- Thursday,4–7pm – Room 42–115

The room allocation is subject to change. Please check the timetable before attending the first lecture.

PROGRAM SCHEDULE

Teaching week	Date	Topic	Readings
1	28 July	The Australian Accounting Environment	Deegan: Chapter 1 Reading 1 Regulations: SACs 1–4 (skim)
2	4 August	Theories of Financial Accounting	Deegan, Chapter 2 Seminar questions: Deegan: Chapter 1: 1, 2, 4, 5, 7, 10, 11, 16, 17, 21
3	11 August	Assets: Definition, Recognition, Measurement & Classification; Statement of Financial Position; Revaluation of Non–current Assets	Deegan: Chapters 3 & 5 Regulations: SAC 4; AASB 1010; AASB 1015; AASB 1040; AASB 1041 Seminar questions: Deegan: Chapter 2: 1, 2, 7, 8, 13, 14, 19, 22, 27, 30
4	18 August	Intangible Assets	Deegan: Chapter 7 Regulations: AASB 1011; AASB 1013 Seminar questions: Deegan: Chapter 3: 1, 2, 5, 6, 8, 11, 13, 15, 16, 17, 19. Chapter 5: 1, 5, 7, 8, 9, 11, 14
5	25 August	Liabilities: Definition, Recognition, Measurement & Classification; Compound financial instruments; Employee Benefits	Deegan: Chapter 9, pp.432–435, & Chapter 12 Regulations: SAC 4; AASB 1028 Seminar questions: Deegan: Chapter 7: 1, 2, 4, 6, 8, 10, 11, 14, 15
6	1 September	Income: Determination, Revenue & Expense Recognition; Statement of Financial Performance	Deegan: Chapters 15 & 16 SAC 4 Regulations: AASB 1004; AASB 1009; AASB 1018 Seminar questions: Deegan: Chapter 9: 1, 3, 5, 10, 16, 21. Chapter 14: 13. Chapter 12: 1, 6, 16, 17
7	8 September	Mid–Semester Exam	–

8	15 September	Income Taxes	Deegan: Chapter 17 Regulations: AASB 1020 Seminar questions: Deegan: Chapter 15: 1, 8, 9, 10, 11, 15, 16. Chapter 16: 6, 8, 11
9	22 September	Leases	Deegan: Chapter 10 Regulations: AASB 1008 Seminar questions: Deegan: Chapter 17: 1, 2, 3, 4, 7, 8, 10, 13, 16, 21
10	6 October	Natural Resource Industries	Deegan: Chapter 19 & pp. 269–283 Regulations: AASB 1022; AASB 1037 Seminar questions: Deegan: Chapter 10: 1, 2,5, 6, 7, 8, 12
11	13 October	Public Sector Accounting	Deegan: pp.254–268 Reading 2 Seminar questions: Deegan: Chapter 19: 1, 2, 3, 5, 7, 9, 10, 13, 15a, 16
12	20 October	Social Responsibility Reporting Ethics in Accounting	Deegan: Chapter 33 Reading 3 Seminar questions: Deegan: Chapter 8: 1, 3, 6 Reading 2: Q.6, 10, 15, 16, 22, 29
13	27 October	Course Review	Seminar questions: Deegan: Chapter 33: 1, 3, 10, 12, 13, 14, 20, 25, 28 Reading 3: 18, 23, 47

Important Dates

Common important dates for Semester 2, 2003

Monday 28 July	Classes begin second semester
29 September – 4 October	MID-SEMESTER BREAK
Monday 11 August	Holiday (Gatton: Royal National Show) GATTON ONLY
Wednesday 13 August	Public Holiday (Exhibition Day)
3 November – 8 November	SWOTVAC
10 November – 22 November	EXAM PERIOD

4.2 Tutorial/Small Group Sessions

The semester program above shows the topic and suggested questions and problems that apply to each lecture/seminar. There may be insufficient time to go through each question during the three-hour class and questions that students find most difficult will be given priority. Solutions to the tutorial questions will be posted on the course website weekly and will be available to all students.

4.3 Consultation

Teaching staff are there to assist you. All staff members have set consultation times during which you may see them without making an appointment. Consultation times for lectures and tutors are posted on the course website and on individual staff

member's doors. Consultation outside of these times is by appointment only.

If you have questions or points that require clarification, you may visit during consultation times, phone, or email to discuss questions during the semester. If staff members are unavailable, leave a message with your name and telephone number or send them an email.

4.4 Administration

All content related questions and specific questions re the administration of this course should, in the first instance be directed to the course co-ordinator and tutor/s involved in delivery of the course. General administrative questions (for example centrally timetabled exams, room venues, etc) may be addressed to administrative staff on Level 2 of the Colin Clark Building, St Lucia Campus.

4.5 PASS (Peer Assisted Study Sessions)

PASS is not offered in this course.

5.0 RESOURCES REQUIRED AND AVAILABLE

5.1 Prescribed textbooks

1. **Deegan, Craig**, "Australian Financial Accounting", 3rd Edition, (2002), Irwin/McGraw-Hill. Note that this text should be purchased with the accompanying Maxmark Quizzing Access Card. The Maxmark access card gives access to 25–30 multiple-choice questions per chapter. When attempting the questions, students are provided with detailed feedback, as to why their answer was correct or incorrect, page referenced back to the appropriate area of the text. This should be an excellent way for students to self-assess their understanding of the material.
2. **Accounting Handbook 2003** published by Prentice Hall Australia – or electronic versions of Australian accounting standards. Accounting standards are available on the web site of the Australian Accounting Standards Board.
3. **Prescribed Readings:** Additional readings may be set during the semester at the discretion of the lecturer.
 - ◆ **Reading 1:** Collett P.H., Godfrey J.M. and Hraskey S.L. "International Harmonization: Cautions from the Australian Experience", *Accounting Horizons*, 15 (2), June 2001, pp.171–182.
 - ◆ **Reading 2:** Henderson S. and G Peirson, "Issues in Financial Accounting", Longman Cheshire, Melbourne, 10th Edition, 2002, Chapter 27 pp. 824–856.
 - ◆ **Reading 3:** Henderson S. and G Peirson, "Issues in Financial Accounting", Longman Cheshire, Melbourne, 10th Edition, 2002, Chapter 31, pp. 945–981.

5.2 Other references

Students may find the following texts useful as supplementary reading:

- Deegan, Craig, *Financial Accounting Theory*, Irwin/McGraw-Hill, 2000.
- Henderson S. and G Peirson, *Issues in Financial Accounting*, Longman Cheshire, Melbourne, 10th Edition, 2002.
- Whittred, G., Zimmer, I. and Taylor S., *Financial Accounting: Incentive Effects and Economic Consequences*, Fifth edition, Harcourt, 2000.

6.0 ASSESSMENT

6.1 Policies

The school abides by the policies set forth by the University. These policies are listed in the Handbook of University Policies and Procedures. These policies may be viewed on the University of Queensland website.

It is the student's responsibility to attend lectures and consult designated course noticeboards for correct and up-to-date information regarding the course, including examination times etc. Relying on fellow students to pass on information may result in incorrect information for which tutorial/lecturing staff will not be held responsible.

6.2 Assessment details

A student's final grade in the course will be determined by the following assessment. Section 6.3 contains details of the process of awarding the final grades.

Assessment Item	Individual/Group	Form of Assessment	Weighting	Date or Due date
1.	Group	Class Discussion	5%	Throughout semester
2.	Individual	Mid-semester exam	30%	In the usual lecture time on 11/9/03
3.	Group	Group Assignment – maximum 2000 words	20%	5pm on 3/11/03
4.	Individual	Final Exam	45%	Date and venue to be advised by central examinations

6.2.1 Midsemester exam

The mid-semester examination will be held during class time on Thursday 11 September commencing 15 minutes after the usual lecture starting time. The examination will be closed book and will be of 1.5 hours (90 minutes) duration with an additional 10 minutes perusal time at the beginning of the examination period. The exam will consist of practical questions and essay-type questions covering topics 1–5 inclusive.

A student who fails to sit the mid semester exam at the scheduled time will be awarded a mark of zero, unless the course co-ordinator is supplied with documentation satisfactorily explaining the student's absence either prior to or no later than two working days after the mid-semester examination.

If the course co-ordinator is satisfied with the documentation, then

- the final exam will be re-weighted to the total of both the original mid-semester and original final.

6.2.2 Group Assignment

All assignments must be accompanied by a fully completed SRC (student resource center) Assignment Cover Sheet. Assignments must not be faxed or emailed to the Course Coordinator without prior arrangement. All assignments will be stamped with the date of receipt. Please note: if your assignment is submitted at any time after it is due it will be stamped with the date of the next working day. Students must sign the reverse side of the cover sheet, acknowledging the plagiarism Statute of the University and must always keep a copy of their work. All group assignments must have ONE designated name on the cover sheet. Names of other group members with their student numbers are to be listed on the inside page. Students should keep a list of their group members' full names and contact details. Note that students must produce their student ID card or drivers license to collect marked assignments.

Requests for extensions must be made to the Course Coordinator and contain documentation satisfactorily supporting the request. A request form stating length of extension and agreed new date for submission must then be completed and signed by both the Course Coordinator and the student and a copy returned to the student.

The UQ Business School's preferred referencing style is Harvard. Details explaining this referencing technique may be found on the library website <http://www.library.uq.edu.au/training/citation/harvard.html>

Assignments must be substantially your own work. If you wish to report another author's point of view you should do so in your own words, and properly footnote the reference in accordance with the departmental style. Direct quotations should be used sparingly, form a small part of your work, and must be placed in quotation marks and referenced. Any material taken from texts and other references, including electronic resources, CD-ROMS, and the Internet, must be acknowledged.

For the purpose of the group assignment (and for class discussion marks) it will be necessary for students to form groups of three (3) or four (4) students. Whilst it is each student's responsibility to become part of a group, the lecturer will try to assist

if there are difficulties in forming suitable groups. Each group should appoint one of the group members as group organiser and the group organiser's name should be the designated name on the cover sheet of the group assignment. All members of the group must actively work together to come to a consensus decision on the group's solution. If the group considers that a group member is not actively participating in assignment work, the group has the right to omit the name of that student from the cover sheet. The group organiser must inform the course coordinator and the student affected by the group's decision (in writing via letter, fax or email) no later than 5.00 pm. on Friday, 26 September 2003. A student omitted from a group must lodge a separate assignment. Each member of the group will be required to sign a statement stating that the group has worked as a team and that all members have undertaken their fair share of the work.

Group assignments must be substantially the work of the members of each group. If a group wishes to report another author's point of view they should do so in their own words, and properly footnote the reference in accordance with the departmental style. Direct quotations should be used sparingly, form a small part of the work, and must be placed in quotation marks and referenced. Any material taken from texts and other references, including electronic resources, CD-ROMS, and the Internet, must be acknowledged. Each group is expected to research and cite the relevant literature relating to their chosen topic in order to address the issues involved.

The written work submitted by each group must be entirely the group members' own work. Similarly, a group (or a member of a group) must not help another group of students to cheat by lending assignments (present or past). The submission of work or ideas which are not the work of the group and for which the group claims credit is called plagiarism. This is a form of cheating with consequences as outlined in Section 8 below.

Group Assignment topics:

Each group is to select **ONE** of the topics below. Ideally different annual reports will be selected by different groups who have chosen the same topic. A copy of each annual report selected by the group must be submitted with the group assignment. Each group must prepare a written report **not exceeding 2000 words**, addressing the numbered points below.

Topic 1 – Public Sector Accounting

You are required to select the 2002 annual reports of two public sector entities (local government bodies, government departments (state or federal) or whole of government).

1. Describe the objectives of these entities and why you consider them to be reporting entities.
2. Discuss the role of the annual reports in helping users assess whether the objectives have been achieved, in particular discussing how performance has been measured.
3. Explain how the assets of the entities have been measured and discuss any problems you see with the values reported in the financial statements.
4. Imagine you are judging these reports for an annual report award. Compare and contrast the quality of the two reports in terms of content and presentation.

Topic 2 – Social Responsibility Reporting (1)

You are required to select the 2002 annual reports (and, if appropriate, the environmental/social responsibility reports) of two mining companies listed on the Australian Stock Exchange.

1. Discuss how effectively the annual reports meet the needs of the various users of the reports.
2. How does each of the companies report on their corporate social responsibilities? Discuss the usefulness of this information and whether it could be suggested that the information provided has been selected and presented in order to portray the entity in a favourable light.
3. Discuss the extent to which the companies have used "triple bottom–line reporting".
4. Imagine you are judging these reports for an annual report award relating to social responsibility. Compare and contrast the quality of the two reports in terms of content and presentation.

Topic 3 – Social Responsibility Reporting (2)

You are required to select the 2002 annual reports (and, if appropriate, the environmental/social responsibility reports) of two industrial companies listed on the Australian Stock Exchange.

1. Discuss how effectively the annual reports meet the needs of the various users of the reports.
2. How does each of the companies report on their corporate social responsibilities? Discuss the usefulness of this information and whether it could be suggested that the information provided has been selected and presented in order to portray the entity in a favourable light.

3. Discuss the extent to which the companies have used "triple bottom–line reporting".
4. Imagine you are judging these reports for an annual report award relating to social responsibility. Compare and contrast the quality of the two reports in terms of content and presentation.

6.2.3 Final exam

The final exam in this course will focus on topics 6–13 and will be of 2 hours duration. The final paper will involve both practical and essay type questions. All final exams will be held during the official examination period. Only one examination paper per course will be set irrespective of location (ie. Cotah, Gatton, Ipswich, St Lucia).

Any issues regarding the administration of, timetabling of and non attendance at final examinations need to be directed to the University of Queensland Examinations Sections. These issues are not the responsibility of the individual course co–ordinator.

6.2.4 Special Examinations and Deferred Special Examinations

A student who is unable to sit or complete a scheduled examination must apply for a special examination within 7 days of the examination. Applications should be lodged at a Student Centre for submission to the Examinations Section, who will forward it to the appropriate Faculty/School administration. For evidence required and time limits see [Assessment Rules 8 \(2\) and \(3\)](#) as listed in the University of Queensland Handbook. Faculties will generally approve applications for special examinations under the broad headings medical, compassionate or exceptional circumstances. (Some faculties have delegated to the relevant school the approval authority for special examinations.) All applications are assessed on a case–by–case basis and may require an interview where it is considered necessary to appraise the student's position in more detail. Directors of Studies should identify and provide appropriate advice to students applying repeatedly for special examinations, including referral to [Student Support Services](#) and the [Disability Program](#).

A student who has been granted a special examination but is unable to sit for or complete that examination at the prescribed time may apply for a deferred special examination within 7 days of the examination. The student granted a deferred special examination must undertake the examination in the next end of semester or summer examination period. No further deferral will be granted.

6.3 Allocation of Grades

Grades will be allocated according to University–wide standards of criterion Based Assessment.

The following generic descriptors provide a university–wide point of reference for these standards (Note: Each passing grade subsumes and goes beyond the grades lower than it.)

Grade	Description of Grade
1 (Serious Fail)	Fails to satisfy most or all of the basic requirements of the course.
2 (Fail)	Fails to satisfy some of the basic requirements of the course.
3 (Pass Conceded)	Falls short of satisfying all basic requirements for Pass but can be granted concession for deficiencies through : · being close to satisfactory overall, or · having compensating strengths in some aspects of the course, or · having compensating strengths in other courses, or · other mitigating considerations.
4 (Pass)	Satisfies all of the basic learning requirements for the course, such as knowledge of fundamental concepts and performance of basic skills ; demonstrates sufficient quality of performance to be considered satisfactory or adequate or competent or capable in the course.
5 (Credit)	Demonstrates ability to use and apply fundamental concepts and skills of the course, going beyond mere replication of content knowledge or skill to show understanding of key ideas, awareness of their relevance, some use of analytical skills, and some originality or insight.
6 (Distinction)	Demonstrates awareness and understanding of deeper and subtler aspects of the course, such as ability to identify and debate critical issues or problems, ability to solve non–routine problems, ability to adapt and apply ideas to new situations, and ability to invent and evaluate new ideas.
7 (High Distinction)	Demonstrates imagination, originality or flair, based on proficiency in all the learning objectives for the course ; work is interesting or surprising or exciting or challenging or erudite.

Note: Students must complete all items of assessment to a satisfactory standard to achieve a passing grade.
To be eligible for a passing grade in COMM7302, a student must perform satisfactorily on the final exam.

6.4 Student Access to Feedback on Assessment

Policy on Consultation for Progressive Assessment

Whilst staff members are genuinely sympathetic to assessment grievances, individual reviews of progressive assessment is not feasible on a large scale. Accordingly, following the release of marks, consultation will be strictly limited as follows:

- 1 Students will be seen only in designated consultation hours, or by appointment.
- 2 No consultation will occur on the day of the release of marks.
- 3 The consultation period will be limited.
- 4 Priority at all times will be given to those students who did not achieve the pass mark for that piece of assessment.

Viewing of Final Examination Papers

- Students visit the School of Business Reception area, and complete an Viewing of Examination form.
- The original form is kept by the School Office and a copy is given to the student.
- Completed forms must be submitted to the School Office by the end of the first week of the subsequent semester at the latest.
- Examination papers of those students who have submitted a completed form to the School Office will be available for viewing during the following relevant session.
- The sessions are scheduled as follows: in the case of first semester examinations during the third teaching week in semester two; and in the case of second semester examinations and summer examinations during the third teaching week in the following semester one.
- The only opportunity for students to view their final exam paper is during the above sessions. Exam papers cannot be viewed by approaching individual staff outside of these times, except for December graduands (see below).
- Students completing their final courses in semester two and graduating in December may wish to see their final exam before graduation. Such cases are handled on a case-by-case basis with the individual staff member.
- The location and the hours during which papers may be viewed will be published on the School's website and will be available from the School Reception area.
- The student will be given their exam paper and the suggested answers (or the marking guide) which they may view on site.
- No exam papers may be taken out of the viewing room.
- No bags may be taken into the viewing room.
- At the time of viewing the exam papers, the Course Coordinator or their authorised delegate must be available in the viewing room.

While errors in marking will be corrected, there is no re-grading of exams.

6.5 Appeal Against Results

Should a student feel that the mark allocated does not reflect the standard of her/his work, then she/he is encouraged to discuss the matter with the course co-ordinator. In the event of course-based disputes not being resolved with the course co-ordinator, the student may appeal to the relevant Head of School and then the Director of Studies of the BEL Faculty.

7.0 USE OF DICTIONARIES AT EXAMINATIONS

Students may request the use of dictionaries supplied by the Examinations Section.

Procedures have also been developed to assist students who may need to access a bilingual dictionary during examinations. Contact examinations for details.

8.0 STUDENT MISCONDUCT AND PLAGIARISM

University Policy on Plagiarism is the action or practice of taking and using as one's own, the thoughts or writings of another without acknowledgment.

"Reproduction and presentation of the work of others without acknowledgment is the attempt by an individual to receive credit for the ideas or felicitous language of others."

Students are encouraged to discuss together issues that arise in this course, however, the written work you submit must be entirely your own. Similarly, you must not help another student to cheat by lending assignments (present or past). Under University Statute, cheating constitutes misconduct and the students who have cheated may undergo proceedings and if found guilty, receive a penalty under the Statute.

Please do not plagiarise. Plagiarism is an injustice to your colleagues within the class. Any cases of plagiarism detected in a student's work will be prosecuted fully under the University rules. If you are unsure about the nature of or any issues in relation to plagiarism, please discuss the matter with your supervisor, course co-ordinator, or tutor.

9.0 SUPPORT FOR STUDENTS WITH A DISABILITY

Any student with a disability who may require alternative academic arrangements in the course/program is encouraged to seek advice at the commencement of the semester from a Disability Adviser at Student Support Services.

10.0 COMPUTING FACILITIES

Courses offered by the School of Business extensively utilise the internet and other computer facilities. Students should be familiar with these resources prior to undertaking a course. AskIT, available through the University of Queensland Library, offers computing help and training free to UQ students. Contact the AskIT Desk, Level 2, Duhig Bldg, St Lucia campus for further details.