

MAA301 Financial Accounting Theory and Practice

Summer Semester 2004/05

Unit Outline

Unit overview

Nature of the unit

Financial Accounting Theory and Practice is a third level unit within the Bachelor of Commerce degree of Deakin University. This unit examines the nature of financial accounting theory and various approaches to accounting theory. Also examined are the Australian accounting standard setting framework and various accounting issues, including issues related to assets, liabilities, equity, revenues, expenses, leases and foreign currency. A coverage of such issues assists in the understanding of accounting techniques introduced in prior accounting units and enables an examination of various issues in contemporary accounting.

Learning objectives

At the completion of this unit students should be able to:

- explain the nature and scope of accounting theory.
- identify the major alternative approaches to accounting theory construction.
- explain the principles underlying the traditional historical cost accounting system and those underlying various alternative systems of accounting (current cost accounting, exit price accounting, and price-level adjusted accounting).
- define the nature of positive accounting theory, and explain the basic concepts of capital markets research and accounting policy choice (agency theory/contracting costs) research.
- outline the nature of accounting standards, including alternative regulatory approaches.
- outline the system adopted in Australia for the setting of accounting standards.
- explain the nature of, and the arguments for and against, conceptual framework projects.
- describe the components of the Australian conceptual framework for financial reporting.
- explain the nature of the elements recognised in financial statements (assets, liabilities, equities, revenues and expenses).
- explain various theoretical and practical issues related to the definitions of, and the recognition criteria for, the financial statement elements.
- understand the theoretical issues related to accounting for leases, together with the rules specified in the applicable Australian accounting standard.
- understand the theoretical issues related to accounting for foreign currency denominated transactions, balances and financial statements, together with the rules specified in the applicable Australian accounting standard.

Prerequisites

MAA260 (or equivalent)

Content

The unit has been divided into nine topics. The following list gives an outline of those topics and the weekly time allocation:

- Topic 1 Overview of accounting theory
- Topic 2 Historical cost and alternative concepts of income
- Topic 3 Positive accounting theory
- Topic 4 Standard setting and the conceptual framework
- Topic 5 Assets
- Topic 6 Liabilities and owners' equity
- Topic 7 Revenues and expenses
- Topic 8 Accounting for leases
- Topic 9 Accounting for foreign currency

The Deakin Advantage

Deakin University aims to ensure that undergraduate courses provide educational experiences designed to develop an appropriate level of expert knowledge of a field of study and the attributes, including skills and personal qualities, that will serve graduates in their lives beyond graduation. The University is progressively accrediting its undergraduate courses to ensure that they explicitly develop and assess (to the extent possible) the attributes of a Deakin graduate, known as the Deakin Advantage:

- an understanding of, and the ability to work with, a systematic body of knowledge in their major field or fields of study, based on the highest standards of scholarship and research, to a level of mastery appropriate to the level of award;
- an understanding of the professional, industrial and social contexts at a standard appropriate to the discipline area and level of award;
- the ability to identify, gather, retrieve and operate on textual, graphical and numerical information at a standard appropriate to the discipline area and level of award;
- a good standard of oral and written communication and presentation;
- a capacity for teamwork and collaboration;
- an ability for critical thinking, analysis and problem solving;
- organisational and personal management skills;
- information technological literacy;
- a capacity for lifelong learning and an appreciation of its necessity;

- an understanding of ethics, social responsibility and cultural sensitivity;
- an understanding of international perspectives and competence in a global environment; and
- an understanding of the principles and applications of sustainable development.

Most of the teaching and learning activities in this unit will use and expand your knowledge and skills in a manner that develops some or all of these attributes.

Learning environments/Learning approach

Your learning environment is a mix of print and online elements. The Study Guide topics are available in print and in the resources folder for this unit on Deakin Studies Online (DSO). Assignments are also available in DSO. Readings are available only in print at this stage.

Student evaluation and Unit changes

At the end of this unit you are strongly encouraged to complete the Student Evaluation form. Information about this is located at http://www.deakin.edu.au/unit_eval/. We take your feedback and evaluation very seriously, and as a result of previous feedback a number of changes have been made to this unit:

Learning resources

Prescribed textbooks

The prescribed textbooks for this unit are:

Godfrey, J., Hodgson, A. & Holmes, S. 2003, *Accounting Theory*, 5th edn, John Wiley & Sons, Qld.

ICAA & CPA Australia 2004, *Accounting Handbook 2004*, Pearson Education Australia, Sydney.

To order textbooks, reference books, general books and software from Unitexts, you can choose from the following options:

- phone **1800 686 681** (freecall) for fast processing of your order;
- email to unitexts@deakin.edu.au; or
- order online from the Unitexts web site at <http://www.unitexts.deakin.edu.au>

Payment by Bankcard, Visa or Mastercard. All orders are processed and sent via fast courier delivery to your door.

If you require further information please phone **(03) 5563 3212**.

Study Guide/Readings

The Study Guide provides a guide to the unit topic-by-topic or module by module. Readings are provided for almost all topics.

- MAA301 Study Guide
- MAA301 Readings

These learning resources are available online in the Resources area in the unit's area in DSO or in printed form from Unitexts.

The materials are provided in hardcopy form to offcampus students. If you do not receive materials provided by Deakin you can contact the Course Materials Hotline:

- phone **1800 242 251** (freecall); or
- email to **coursematerials@deakin.edu.au**.

Further resources

Accounting is continually subject to change. The best way to give yourself an up-to-date view of current thinking in the discipline is to read textbooks and periodical materials. The following references may be of particular assistance to you:

Belkaoui, A. R. & Jones, S. 2002, *Accounting Theory*, 2nd edn, Nelson, Melbourne.

Deegan, C. 2000, *Financial Accounting Theory*, McGraw-Hill Australia, Sydney.

Henderson, S. & Peirson, G. 2000, *Issues in Financial Accounting*, 9th edn, Longman, South Melbourne.

Henderson, S., Peirson, G. & Harris, K. 2004, *Financial Accounting Theory*, Pearson Education Australia, Sydney.

Whittred, G. P., Zimmer, I., Taylor, S. & Wells, P. 2004, *Financial Accounting: Incentive Effects and Economic Consequences*, 6th edn, Thompson, Melbourne.

University specifications for online communication and computer standards are listed in the University Handbooks.

Other resources

- The Deakin Learning Toolkit contains a number of resources that may be useful for this unit:
 - Web browsers and other software
 - Information about the Library

Staff and contact details

Faculty Service Undertakings require that:

Within the span 9am to 5pm Monday – Friday, academic members of staff should normally be contactable as follows:

- For 'in person' student consultation: on at least two days per week and for at least three hours per unit, up to a maximum of six hours.
- For student queries, other than during consultation time: through DSO; through this medium, staff should use their best endeavours to respond within two business days of the query being received.

Students are encouraged to use DSO, as this is the preferred medium for (non-confidential) academic discussion.

Unit chair

Sarah Williams
 School of Accounting, Economics and Finance
 Faculty of Business and Law
 Deakin University
 GEELONG VIC 3217
 AUSTRALIA
 Ph: (03) 5227 2567
 Fax: (03) 5227 2151
 Email: sarahw@deakin.edu.au

Other teaching staff

Information on other staff members involved in teaching this unit over summer semester will be advised via DSO.

Administrative queries

Queries relating to administrative matters should be addressed, in the first instance, to a student adviser, staff at the Faculty Office, Student, Administration Group Manager or the Faculty Registrar. Inquiries can be made via email to:

- enqblm@deakin.edu.au (for undergraduate students at Burwood)
- enqbuslaw-g@deakin.edu.au (for undergraduate students at Geelong)
- enqblw@deakin.edu.au (for undergraduate students at Warrnambool)
- postgrad-students@deakin.edu.au (for all postgraduate students)

Assessment

Assessment tasks

Assessment in this unit is by one assignment and an examination. The assignments represent 30% of your assessment and the examination represents 70%, as follows:

Assignment	Due date 10 January 2005	30%
Final Examination	Period commencing 7 February 2005	<u>70%</u>
		<u>100%</u>

The assignment will be of 2,000 to 2,500 words in length, and will be completed on an individual basis. It will be of problem/essay format, and will be based on material from topics 2 and/or 3 of the unit. Details of the individual assignment tasks will be made available online via DSO at the commencement of the semester.

The final examination will be a closed-book exam of three hours duration. Details of the final examination format will be made available on DSO toward the end of the semester.

Determination of final grade

Students must perform satisfactorily *in all areas of assessment*. To pass the unit, students must receive a minimum overall result of 50% and a result of at least 45% on the final examination. University policy requires that a mark of 45% be recorded where a student has achieved marks totalling 45% or greater in the unit but has failed to meet the above hurdle requirements.

Assignment submission rules

- 1 All assignments are to be submitted online in DSO in the area provided for this purpose. **In addition, assignments are to be submitted in printed form.** For off-campus students, assignments are to be mailed to AASD.

A copy of the Faculty Assignment Attachment Sheet must be completed and attached with any assignment submitted in hardcopy form. This form is available from the Faculty offices or online. Offcampus students should attach the form provided with their course materials.

Please note that the version of an assignment you submit electronically must be the same as any version you submit in any other form. Unit teams will compare files submitted electronically with other forms of submissions. If differences are found, the version submitted electronically will be assessed.

- 2 Assignments are on time if they are submitted online by the **cut-off** date. The cut-off date for receipt of assignments is seven calendar days after the due date. Any assignments received after the cut-off date **will not be marked** unless you have applied for special consideration and that special consideration has been granted. The following submission guidelines relate to submission of the printed copies of assignments:

Offcampus students must mail their submission, with the applicable assignment attachment sheet, on or before the **cut-off** date. Note, though, that the electronic version must be submitted online by the cut-off date. Assignments must be mailed to:

Assignment Tracking
AASD
Deakin University
Waurin Ponds, VIC, 3217

Remote students: A student is classified as remote if they are living in a place where it takes more than 3 days for mail to reach Deakin University, Geelong, for example overseas in certain locations. If you are a remote student, you may submit your assignment by email or fax.

Submission Details:

Email - award-assign@deakin.edu.au
Fax (Aust) - 03 5227 2344
Fax (International) - + 61 3 5227 2344

If you are a remote student and submit via email, you will receive a reply from the Assignment Tracking staff upon receipt of your assignment. Please clearly state your Name, Student ID Number, Unit Code and Assignment Number on the email. It is also recommended that you place this information on your assignment as a Footer or Header. The Assignment Tracking staff will print your assignment and place an Assignment Attachment Form onto your assignment. It will then be tracked and sent to your assessor for marking the same day. When returning the assignment, the assignment will be sent by normal postage and not via email. Please do not post another version in the mail if you email or fax in your assignment.

- Students enrolled through partnership agreements must submit as required by the unit coordinator at the partner institution on the due date.
- 3 No extensions will be considered for assignment submission due dates unless a written request is submitted and negotiated with the designated Unit Chair/Coordinator.

- 4 Assignments submitted late without an extension being granted will not be marked.

Return of marked assignments and requests for reviews

Assignments received **by the due date** will, under normal circumstances, be marked, commented upon and despatched back to you within 15 business days of the due date. Assignments received **after the due date but before the cut-off date** will be marked (without penalty), but may be returned less promptly. Assignments received after the cut-off date will be held and considered at the end of the semester.

Please note that before results are returned to you, the teaching team will have applied methods to ensure that the standards by which your work has been assessed are the same for all students enrolled in the unit.

You may request additional information from assessors or checks on addition or recording errors within 15 working days after your results have been returned to you. You can contact the unit chair/coordinator directly, or use the 'Administrative Review of Result' form available from the Faculty office.

You may apply for a review of result using the form available from the faculty campus office at any time up to 10 working days after the release of final results for the unit. Such applications are first considered by the Faculty Academic Progress and Disciplinary Committee, and you will be notified within 5 days of the committee's decision.

Special consideration

If you consider that your assessment was or is likely to be adversely affected by serious and exceptional circumstances beyond your control, you may apply for special consideration. Grounds can be medical, compassionate or hardship/trauma. A form is available from the Faculty office. Special consideration is not normally intended for assignments and other forms of continuous assessment during the semester – you should apply to the unit chair/coordinator for an extension in such cases.

Applications for special consideration must be made no later than three days after the due date of the assessment task. They are referred to the relevant unit chair or nominee for determination and the outcome is notified within 10 working days of the application or before publication of final results for the unit.

Plagiarism and other academic offences

Plagiarism is the copying of another person's ideas or expressions without appropriate acknowledgment and presenting these ideas or forms of expression as your own. It includes not only written works such as books or journals but data or images that may be presented in tables, diagrams, designs, plans, photographs, film, music, formulae, web sites and computer programs. Plagiarism also includes the use of the work of lecturers or other students as your own without acknowledgment.

Intention to cheat is irrelevant in determining whether plagiarism has occurred – if you pass off the work of others as your own without acknowledgement, then you have offended, whether you knew you were doing it or not. Even the 'George Harrison defence' is irrelevant in determining if plagiarism has occurred. George's explanation for 'My Sweet Lord' sounding like 'He's So Fine' as recorded by the Chiffons in 1962 was "I did not knowingly copy another's work – it was just in my head so that I assumed it was original". George still plagiarised.

Plagiarism is not limited to the direct copying of another person's work. For example, paraphrasing the work of someone else is still considered to be plagiarism if you do not provide appropriate acknowledgment of the source of the ideas.

The University regards plagiarism as an extremely serious academic offence. As detailed in Part 2 of Regulation 4.1(1) Student Discipline, the penalties associated with plagiarism can be one of the following:

- a reprimand;
- a fine not exceeding \$500;
- a zero mark in the relevant task or such other mark as is appropriate;
- a zero mark in the relevant unit or such other mark as is appropriate;
- a zero mark in such other units in which the student is enrolled as the Faculty Academic Progress and Discipline Committee may determine;
- a suspension from studies for up to one year;
- an exclusion for a minimum period of one year.

You should also be aware that there are laws in place to protect the ideas and expressions (ie the intellectual property) of individuals and/or groups and their right to be attributed as the authors of their work. These are known as 'copyright' and 'moral rights' and are included in the Copyright Act. Plagiarism offences may also be breaches of the Copyright Act and students may be subject to penalties independent of the University's regulations and procedures.

It is important to realise, however, that it is certainly not an offence to use the work of others in your work. On the contrary - a well-constructed essay or report should normally refer to and build on the work of others for positioning, supporting and strengthening your work and advancing knowledge. Plagiarism occurs when due recognition and acknowledgement of the work of others is not provided. Therefore, whenever you are using another person's research or ideas (whether by direct quotation or by paraphrasing) you must appropriately cite the source. If you are ever in doubt about the most appropriate form of referencing, you should consult your lecturer or Student Life.

Teaching teams will use a variety of methods to detect plagiarism, and some units may require that you submit your work to a system that can check your work for possible plagiarism.

Unauthorised collaboration is a related offence. Unauthorised collaboration involves working with others with the intention of deceiving examiners about who actually completed the work. For example, if a student willingly allows another student to copy their work for an individual assessment task, that would constitute collusion and both students may have committed an academic offence under Regulation 4.1(1). If there has been any collaboration in preparing individual assessment items, this must be disclosed. In the case of group project work, lecturers provide guidelines on what level of collaboration is appropriate and how the work of each participant in the project is to be assessed. If you have any doubt about what constitutes authorised and unauthorised collaboration you should consult your lecturer.

Academic skills – understanding academic requirements

Writing style requirements

Written assessment tasks can vary from unit to unit and even within one unit. It is important that you understand what is required of a particular writing style to maximise your chances of academic success. Examples of writing styles used for assessment in the Faculty of Business and Law include assignments, essays, case studies and reports.

The following link to the Student Life website provides instruction on all of these different writing styles: www.deakin.edu.au/studentlife/academic_skills/undergraduate/index.php

Referencing requirements

Referencing involves acknowledging original sources of information when producing written work. By referencing correctly, you not only give weight to any arguments or statements made in your work, but also avoid plagiarism.

Undergraduate and Postgraduate Course Students. The following links to the Student Life website provides a comprehensive guide on 'How to Reference Your Writing' (downloadable):
www.deakin.edu.au/studentlife/academic_skills/undergraduate/handouts/reference.php

www.deakin.edu.au/studentlife/academic_skills/postgraduate/handouts/reference.php

The following Library website provides a virtual tutorial on referencing and has an online quiz:
www.deakin.edu.au/library/tutorials/smartsearcher/

HDR Students. The following Library website provides a virtual tutorial on referencing and has an online quiz: www.deakin.edu.au/library/tutorials/smartsearcher/

School of Law. The School of Law only accepts referencing in accordance with the Australian Guide to Legal Citation published by the Melbourne University Law Review Association Inc. available at www.law.unimelb.edu.au/mulr/aglc.htm

Exam Preparation

Examinations are an important part of assessment for most units in the Faculty of Business and Law. It is imperative that you learn how to prepare for an examination and how to best use your time during an examination so that you can attain academic success.

The following links to the Student Life website provides valuable information about how best to prepare and sit for an examination:

www.deakin.edu.au/studentlife/academic_skills/undergraduate/handouts/exams.php#

www.deakin.edu.au/studentlife/academic_skills/postgraduate/handouts/exams.php#

Research skills

The library provides many resources to support your research. See www.deakin.edu.au/library/findout/research/

Information about research skills specific for the School of Law can be found at www.law.deakin.edu.au/research/index.htm

Further Information

The Division of Student Life provides free on-campus academic skills workshops including: Organising and Time Management Skills; English Language Class; How to Avoid Plagiarism; Working in Groups; Your First Assignment; Lectures and Tutorials; and Writing University Assignments. See the following website for further details and dates of workshops:
www.deakin.edu.au/studentlife/academic_skills/oncampus_workshops/index.php

Unit planner

Week beginning	Topic and other details
29 November	topic 1, topic 2
6 December	topic 2 (continued)
13 December	topic 3
20 December	topic 3 (continued), topic 4
25 December	<i>Christmas/New Year break</i>
3 January	topic 4 (continued), topic 5
10 January	topic 5 (continued), topic 6
10 January	<i>Assignment due date</i>
17 January	topic 7, topic 8
24 January	topic 8 (continued), topic 9
31 January	topic 9 (continued)
7 February	<i>Examination period commences</i>
25 February	<i>Examination results released in accordance with result release schedule</i>