

School of Accounting and Commercial Law

## **MMPA 501 FINANCIAL ACCOUNTING**

Trimester One 2010

### **COURSE OUTLINE**

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#### **Names and Contact Details**

##### *Course Coordinator/Lecturer*

|                 |  |        |
|-----------------|--|--------|
| Dr David Carter |  | RH 727 |
| Phone:          | 463 5233 Ext 7009  |        |
| Email:          | <a href="mailto:david.carter@vuw.ac.nz">david.carter@vuw.ac.nz</a> |        |
| Office Hours:   | To be advised  |        |

##### *Lecturer*

|                  |  |        |
|------------------|--|--------|
| Dr Lisa Marriott |  | RH 604 |
| Phone:           | 463 6107   |        |
| Email:           | <a href="mailto:lisa.marriott@vuw.ac.nz">lisa.marriott@vuw.ac.nz</a> |        |
| Office Hours:    | To be advised  |        |

##### *Administrative Coordinator*

|                      |  |        |
|----------------------|--|--------|
| Marina Dobrovolskaya |  | RH 708 |
| Phone:               | 463 5775   |        |
| Email:               | <a href="mailto:Marina.Dobrovolskaya@vuw.ac.nz">Marina.Dobrovolskaya@vuw.ac.nz</a> |        |
| Office Hours:        | Mon – Fri 8.30am – 5pm   |        |
| Office Closed:       | Mon – Fri 10.30-10.45am & 3.30-3.45pm  |        |

#### **Trimester Dates**

Teaching Period: Monday, 1 March – Friday, 4 June 2010

Study Period: Monday, 7 June – Thursday, 10 June 2010

Examination Period: Friday, 11 June – Wednesday, 30 June 2010 (inclusive)

#### **Withdrawal from Courses:**

Information available via

**Withdrawal dates: Late withdrawals with Associate Dean (Students) permission**

(See Section 8: Withdrawals - from the Personal Courses of Study Statute)

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~00000001743.pdf>

**Withdrawal dates: refunds:**

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

#### **Co-Requisite**

Please note that it is a requirement that you complete the online Bookkeeping course while enrolled in this paper. Please see Christopher Cripps as director of the MMPA for more details.

## **Class Times and Room Numbers**

### Lectures:

Class meets Mondays from 17:40 – 20:30 in the Old Government Buildings, Lecture Theatre 3

There are 12 lectures in total. Students are expected to attend all classes. Class involve a mixture of lecture material, tutorial discussion, and group work.

### Test and Examination:

The **mid-trimester test** will take place Thursday, 22 April 2010 (Week 6). The time and room will be advised as soon as possible. The **final examination** will take place during the examination period between Friday, 11 June and Wednesday, 30 June 2010. Dates, times, and rooms will be available

## **Course Learning Objectives**

At the conclusion of this course, students should be able to:

- a) Explain and evaluate the nature of financial accounting in relation to the variety of contexts for accounting information, the users and uses of accounting information, and the limitations of accounting information.
- b) Explain the primary financial statements (including the Balance Sheet, Income Statement, Cash Flow Statement, and Statement of Service Performance) and describe their integrated nature and linkage to the accounting equation.
- c) Explain the nature of regulatory frameworks shaping accounting in New Zealand;
- d) Explain the centrality of assets to the accounting system;
- e) Describe, explain and evaluate the application of asset specific NZ IFRSs relating to identification, recognition and measurement; and
- f) Explain and evaluate the associated movements for these asset-specific NZ IFRSs including depreciation, impairment and gains and losses.

## **Course Content**

This financial accounting course focuses on introducing and developing core theoretical and practical issues in respect of financial accounting. The courses emphasise key issues that face accountants in practice and the development of an understanding of how different contexts affect accounting and financial reporting. This involves a thorough grounding in the foundations of financial accounting knowledge including the role of regulation, the integrated nature of the primary financial statements, and the variety of contexts, users, uses and limitations of financial accounting information. The concept of the ‘asset’, as the driver of the accounting system, will be explored in depth to illustrate a range of theoretical and practical concerns relevant to financial accounting.

The course will introduces and develops a set of core themes to financial accounting:

- The nature of different reporting entities in New Zealand - this extends to considering entities of different legal structure, profit-orientation, sector and scale;
- The qualitative characteristic of “relevance” – how this concept may be interpreted in the context of different issues and/or different entities;
- The qualitative characteristic of “faithful representation” – this encompasses aspects of neutrality, prudence, ‘substance over form’ and completeness; and
- The impact of harmonisation – this includes examining what is meant or symbolised by this concept and the practical implications for accounting for different entities in New Zealand.

| <b>Week</b>               | <b>Lecturer</b>               | <b>Topic/Topics</b>   | <b>Textbook Chapter(s)</b>   | <b>Tutorial/ Assignment</b> |
|---------------------------|-------------------------------|---|------------------------------|-----------------------------|
| <b>Week 1</b><br>1 March  | Lisa Marriott<br>David Carter | Introduction to the objectives of financial accounting, users and uses of financial accounting<br>Regulatory framework for accounting<br>Introduction to IFRS/NZ Framework<br>Reporting entities<br>Qualitative characteristics | Deegan & Samkin<br>Ch. 1 & 2 |                             |
| <b>Week 2</b><br>8 March  | Lisa Marriott                 | Introduction to elements of financial statements<br>Discretion in financial statement construction (e.g. depreciation and capitalisation; inventory valuation)  | D & S<br>Ch. 1 & 2           |                             |
| <b>Week 3</b><br>15 March |                               | Balance Sheet and Statement of Comprehensive Income<br>Construction and linking financial statements from trial balance   | Readings provided            |                             |
| <b>Week 4</b><br>22 March |                               | Balance Sheet and Statement of Comprehensive Income<br>Construction and linking financial statements from trial balance   | Readings provided            | Assignment One              |
| <b>Week 5</b><br>29 March |                               | Cash flow statements<br>Construction and link to balance sheet/statement of comprehensive income<br>Introductions to Statement of movement of equity and Statement of Service Performance                                       | D & S<br>Ch. 19              |                             |
| <b>MID-TERM BREAK</b>     |                               |   |                              |                             |
| <b>Week 6</b><br>19 April |                               | Financial statement analysis  | Readings provided            | Mid-trimester Test          |
| <b>Week 7</b><br>26 April | David Carter                  | What is an Asset?   | D & S<br>Ch. 4               |                             |
| <b>Week 8</b><br>3 May    |                               | Accounting for Assets: IAS 16 - Property, Plant and Equipment (introduction to issues of depreciation and valuation)  | D & S<br>Ch. 4 & 5           |                             |
| <b>Week 9</b><br>10 May   |                               | Accounting for Assets: Infrastructure and Heritage Assets   | D & S<br>Ch. 9               |                             |
| <b>Week 10</b><br>17 May  |                               | Accounting for Assets: Inventory (including issues of valuation)  | D & S<br>Ch. 7               |                             |
| <b>Week 11</b><br>24 May  |                               | Accounting for Assets: IAS 38 – Intangibles   | D & S<br>Ch. 8               | Assignment Two              |
| <b>Week 12</b><br>31 May  |                               | What is Accounting? Evaluation and Re-evaluation  |                              | Essay                       |

### **Course Delivery**

The course is delivered in one three-hour lecture a week. The course lecturers will assign readings and out of class work that is expected to be completed. A thorough understanding on all assigned material is essential. The lecture will involve a range of activities from group work to tutorials to more conventional lecturing. Course lecturers will post material on blackboard. It is suggested that students regularly check blackboard for updates, announcements and materials.

### **Expected Workload**

As a 15-point paper, it is expected that students will work for 150 hours across this course (this includes the 12 teaching weeks, mid-trimester break, study week and the examination period). Class accounts for 36 hours of this time. Accordingly, students are expected to give 7 hours per week during the teaching weeks outside of class to lecture preparation, lecture review, readings, and assignments, and a further 30 hours spent on preparing for the mid-term test and exam.

### **Readings**

There is one **required text** for the course:

- Deegan, C. and Samkin, G. (2009) *New Zealand Financial Accounting, 4<sup>th</sup> edition*, McGraw Hill.

Course lecturers will provide additional readings as is necessary, including applicable New Zealand Equivalents to International Financial Reporting Standards.

However, these texts are recommended. Students may benefit from access to:

- Applicable Financial Reporting Standards (Volumes 1 and 2) - *New Zealand equivalents to International Financial Reporting Standards*. New Zealand Institute of Chartered Accountants (2009 or 2010 editions);
- Gaffikin, M. (2008) *Accounting Theory: Research, Regulation and Accounting Practice*, Pearson Education

### **Materials and Equipment**

Relevant teaching materials, extra readings, practice examples, assignments, the essay, etc will be provided for students on an ongoing basis, primarily on Blackboard.

### **Assessment Requirements**

Please use the labels provided at the end of this course outline for the submission of assignment work. The labels have been pre-numbered for both assignments and the essay. On each label, please print legibly **your name, and student ID**. For each assignment/essay, cut out and staple the correct label to your completed work. Fold your assignment/test/essay lengthways so that the label is visible on the outside of your paper. Place your stapled and labelled assignment/essay in the relevant box by 3.00 pm on the due dates shown below.

**No assignment/test/essay will be accepted for assessment purposes after the deadline of 3.00 pm, unless accompanied by certification by a doctor or similar. However because it is a mandatory course requirement that a reasonable attempt is made at the assignment, take-home test and the essay, late items must be submitted to enable an assessment of whether this mandatory course requirement has been met.**

There are **five** assessment items in this course:

| Assessment Item | Specifications | Percentage | Course Learning Objectives* | Date  |
|-----------------|----------------|------------|-----------------------------|---|
| Assignment One  | 4 pages        | 10%        | b                           | 3 pm, Friday, 26 March                          |
| Mid-Term Test   | 90 minutes     | 20%        | a, b, c                     | Thursday, 22 April<br><i>Time to be advised</i> |
| Assignment Two  | 4 pages        | 10%        | d, e                        | 3 pm, Friday, 28 May                            |
| Essay           | 2,500 words    | 20%        | a, d                        | 3 pm, Friday, 4 June                            |
| Exam            | 120 minutes    | 40%        | b, c, d, e, f               | <i>Time and place to be advised</i>             |

\* For the Course Learning Objectives, refer to page 2 above. The letters a, b, c, d, e, and f correspond with the objective.

Completed Assignments and Essay should be placed in the box marked MMPA 501 on the Mezzanine Floor, Rutherford House Building.

To pass the course, students must obtain 50% across the course assessment.

*Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.*

### **Examinations**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period from: **Friday 11<sup>h</sup> June – Wednesday 30<sup>th</sup> June 2010**

### **Penalties**

No assignment/essay will be accepted **for assessment purposes** after the deadline of 3.00 pm, unless accompanied by certification by a doctor or similar. However because it is a mandatory course requirement that a reasonable attempt is made at each of these assessment items, late items must be submitted to enable an assessment of whether the mandatory course requirement has been met.

### **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50% or more, students must:

- Attend at least 10 out of 12 lectures; and
- Make a reasonable attempt at each of the assignments and the essay.

### **Class Representative**

Students will have the opportunity to elect a class representative in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

### **Communication of Additional Information**

Additional information will be conveyed by Blackboard or by email to all class members. Once you have registered for this course you should be able to connect to Blackboard at <http://blackboard.vuw.ac.nz>. If you are not registered, please contact the FCA office on the ground floor of the Railway West Wing opposite Rutherford House. If you cannot access Blackboard after 48 hours please come to our office at RH708 where we can enrol you on Blackboard.

### **Faculty of Commerce and Administration Offices**

#### Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

#### Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building on the ground floor (EA005). This counter is the first point of contact for:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

### **Use of Turnitin (if applicable)**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

**For the following important information follow the links provided:**

#### **Academic Integrity and Plagiarism**

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

#### **General University Policies and Statutes**

<http://www.victoria.ac.nz/home/about/policy>

**AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

#### **Faculty of Commerce and Administration Offices**

<http://www.victoria.ac.nz/fca/studenthelp/>

#### **Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)

