



UNIVERSITY
OF TASMANIA

BFA103

**Accounting and Financial
Decision Making**

**School of Accounting
and Corporate Governance
Faculty of Business**

Semester 1 2007

Unit Outline

CRICOS Provider Code: [00586B](#)

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Please note: Staff consultation hours will be advised during Week 1.

Contents

Page

1. Unit Description	4
2. Learning Outcomes	4
3. Generic graduate attributes	5
4. Learning resources required	5
5. Details of teaching arrangements	6
6. Unit schedule	8
7. Learning expectations and strategies	9
8. Specific attendance/performance requirements	9
9. Assessment details	10
10. Assessment/learning outcomes/generic attributes matrix	12
11. How your final result is determined	13
12. Submission of assignments	13
13. Requests for extensions	13
14. Penalties	13
15. Academic referencing	14
16. Further information and assistance	15

1. Unit Description

This unit is designed to provide you with an understanding of the role that accounting plays in various aspects of business decision-making. You will learn how profit and wealth are measured in a business context, and how to construct the major financial statements that provide information about business performance, financial position and cash flows. You will further explore information required for internal decisions from both an operational and a strategic perspective. You will understand the importance of costs and cost behaviour in the decision making process. A user rather than preparer perspective is adopted: you will learn how the outputs of the accounting process can be interpreted and used by people both internal and external to business organisations.

The unit has been designed to meet the needs of two broad categories of students. For those of you intending to take further units in accounting, this unit will serve as an essential foundation and preparation for that continued study. For those of you not intending to take further units in accounting, the experience gained from this unit will also be invaluable. Accounting is often referred to as the language of business, so whatever aspect of business you intend to specialise in, you will need to be familiar with the concepts and principles underlying the practice of accounting.

2. Learning Outcomes

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

1. Discuss and critically evaluate the role that accounting information plays in practice within an environment of business decision making;
2. Describe and apply the fundamental principles of accrual based accounting to a given transaction data set;
3. Prepare a simple balance sheet, income statement and cash flow statement; and explain the relationships that underlie the preparation of these financial reports;
4. Analyse and interpret financial reports; and calculate ratios in order to make meaningful comparisons between businesses and also to analyse a business' performance from year to year;
5. Understand the importance of costs and cost behaviour in decision making;
6. Explain and apply techniques related to both long-term and short-term managerial planning and decision making;
7. Demonstrate an ability to work independently, and to effectively access, organise and then communicate information, supported by well-reasoned arguments as appropriate.

3. Generic graduate attributes

By undertaking this unit you will progress in the development of the University of Tasmania Generic Graduate Attributes in the following ways:

- **Knowledge** - being able to discuss and apply a range of underlying concepts and principles relevant to the practice of accounting.
- **Communication skills** - through written and numerical activities, being able to effectively communicate across a range of contexts; being able to present well-reasoned arguments; and being able to access and organise information from a variety of media.
- **Problem-solving skills** - being able to conceptualise problems and formulate solutions; to interpret and analyse data; to search, evaluate and use appropriate information; to think logically and critically appraise a range of issues.

4. Learning resources required

Requisite texts

You must purchase your own copy of the prescribed textbook.

Birt, J., Chalmers, K., Beal, D., Brooks, A., Byrne, S., and Oliver, J., 2005, *Accounting business reporting for decision making*, John Wiley & Sons: Brisbane

Recommended text

Fleet, W., Summers, J., and Smith, B., 2006, *Communication Skills Handbook for Accounting* (2nd edition), John Wiley & Sons: Brisbane.

Other References Available in the Library

Atrill, P, McLaney, E, Harvey, D, and Jenner, M, 2006, *Accounting: An Introduction* (Third edition), Prentice Hall: Frenchs Forest, NSW

Bazley, M and Hancock, P, 2006, *Contemporary Accounting: A Conceptual Approach*, Thomson Learning

5. Details of teaching arrangements

Hobart and Launceston Campuses

- (a) a weekly 100 minute lecture
- (b) a weekly 50 minute tutorial
- (c) a weekly 50 minute workshop

Cradle Coast Campus

Weekly 3 hour seminar

It is also expected that all students will spend approximately 10 hours each week on preparation for lectures and other contact sessions, independent study tasks, assignments, and revision for the test and the final examination.

(a) Lectures

Lectures will be used to introduce the various topics that we will cover in the unit. Section 6 (unit schedule) of this *Unit Outline* gives you the weekly program of lecture topics. At the first lecture you will be given a handout of materials for Week 1 – all materials for other weeks will be available for download from Vista. *You should bring the relevant handouts to each lecture.*

It would be a good idea for you to read through the slides before each lecture. By having these materials with you, you will reduce the amount of writing that you need to do in lectures. *The slides are not a substitute for the notes you will need to take when reading from the text. They are only a brief outline of each topic but they will provide a structure for discussion in the lecture each week.* Lecturers reserve the right to add to or improve the slides that you will be given in the first lecture.

(b) Independent study tasks

Consistent with the unit objective of encouraging you to study independently, having attended a lecture, you will then undertake tasks related to the topic for that week. This will involve you doing the following:

- reading from the text book where indicated;
- preparing answers to selected discussion questions and application exercises from the text.

Solutions to the independent study questions and exercises from the text will be placed on the web site at the end of each week. You are encouraged to discuss any problems you encountered with any tasks in your assigned tutorial.

(c) Tutorials

Overview of tutorial

The tutorial program is designed to work in the following way. Having attended a lecture on a particular topic, and having completed the independent study tasks related to that topic, you then attend a tutorial to participate in activities related to the topic. By attending tutorials, you should be able to

satisfy yourself that you understand the important issues related to the weekly topics, and you should take the opportunity to ask questions.

In case you miss a tutorial, details about tutorial activities, and where appropriate, suggested answers to problems tackled in tutorials, will be available on the unit's WebCT Vista site at the end of each week.

Hobart and Launceston Campus

During the first lecture you will be allocated a tutorial time. Tutorial groups will meet weekly. While every effort will be made to accommodate your preferences, priority will be given to those with clashes in other units.

Lists of tutorial groups (and the rooms in which tutorials are to be held) will be placed on the unit's WebCT Vista site at the end of Week 1. Look under 'Unit Information' & 'Tutorial Allocations'. Tutorials work as groups, and to achieve good group interaction it is imperative that you remain with the group to which you are allocated. Permission must be obtained from your lecturer before you may change groups.

Cradle Coast Campus

Students will attend class each week. The tutorial program will be part of the weekly seminar.

(d) Workshops

Hobart Campus

Due to the number of students enrolled in the unit, two workshops will be conducted on the Hobart Campus. In the first workshop session students will be allocated both a tutorial time and a workshop time for the remainder of the semester. There will be no workshop conducted in Week 2.

Launceston Campus

Workshops will commence in the *third* week of semester and are held weekly. There will be only one workshop group on the Launceston campus.

Cradle Coast Campus

The workshop will be included in the weekly seminar.

Workshop Overview

Workshops will provide you with the opportunity to practise procedures shown to you in the previous week's lecture. Case studies to be used in workshops can be downloaded from WebCT Vista. *You should bring your copy of the relevant case study to each workshop.* It would be a good idea for you to read through the relevant case study before each workshop though you should not attempt them in advance. The point of workshops is for you to work on problems with teaching staff present to help you if you have difficulties.

Model answers to each of the case studies tackled in workshops will be available on the unit's WebCT Vista site at the end of the relevant week.

6. Unit schedule

Topic	Week Beg.	Topic Guide for Lecture	Weekly Tutorial Topic **	Workshop Programme
1	26/02/2007	Introduction to unit & The role of accounting in business		
2	5/03/2007	The 3 Key Financial Reports - Focus on the Income Statement & Balance Sheet - Illustration - <i>Henry's Hardware</i>	The role of accounting in business	No Workshop - Assessable Assignment Development & Preparation (Task 1)
3	12/03/2007	The 3 Key Financial Reports - Focus on the Cash Flow Statement - Illustration <i>Henry's Hardware (continued)</i>	The 3 Key Financial Reports - Focus on Income Statement & Balance Sheet	Basic Worksheet - Preparation of Income Statement & Balance Sheet- <i>Joe's Boats</i>
4	19/03/2007	The 3 Key Financial Reports - Focus on Companies & Accrual Accounting Concepts- Illustration <i>Whitely Sounds Pty. Ltd. & Butler Pty. Ltd.</i>	The 3 Key Financial Reports - Focus on the Cash Flow Statement	Basic Worksheet - Preparation of Income Statement, Cash Flow Statement & Balance Sheet - <i>Recover Upholstery</i>
5	26/03/2007	Analysis & Interpretation - Illustration <i>Anders Ltd.</i>	The 3 Key Financial Reports - Focus on Companies & Accrual Accounting	Basic Worksheet - Preparation of Income Statement, Cash Flow Statement & Balance Sheet - <i>Darby's Derbys Ltd.</i>
6 Monday, Tuesday & Wednesday	2/04/2007	Assessable Assignment Development & Preparation (Task 2) – class attendance not required	Assessable Assignment Development & Preparation (Task 2)- class attendance not required	Basic Worksheet - Preparation of Income Statement, Cash Flow Statement & Balance Sheet - <i>Anthony Ltd.</i>
6 Thursday & Friday	9/04/2007	Assessable Assignment Development & Preparation (Task 2) – class attendance not required	Assessable Assignment Development & Preparation (Task 2) – class attendance not required	Basic Worksheet - Preparation of Income Statement, Cash Flow Statement & Balance Sheet - <i>Anthony Ltd.</i>
7	16/04/2007	Analysis & Interpretation - Illustration <i>Ashcroft Ltd.</i>	Analysis & Interpretation	Analysis & Interpretation - <i>Able Baker Ltd.</i>
8	23/04/2007	Costing in an Entity	<i>No tutorials this week due to Anzac Holiday</i> - Assessable Assignment Development & Preparation (Task 3)	<i>No workshop due to Anzac Holiday</i> - Assessable Assignment Development & Preparation (Task 3)
9	30/04/2007	Budgets - Illustration - <i>Osborne Ltd.</i>	Costing in an Entity	<i>Test - Topics 1-4</i>
10	7/05/2007	Cost Volume Profit Analysis & Short term decision making - Illustration <i>Tarrant Ltd.</i>	Budgets	Cash Budget, Projected Income Statement, Projected Income Statement - <i>Lincoln Ltd.</i>
11	14/05/2007	Capital Investment Decisions - Illustration <i>Jayhawks Ltd.</i>	CVP Analysis & Short Term Decision Making	CVP & short term decision making - <i>The Solution Shop</i>
12	21/05/2007	Trends & Issues in Accounting	Capital Investment Decisions	Capital Investment Analysis - <i>Complete Computing & Big Rock</i>
13	28/05/2007	Unit Review	Trends & Issues in Accounting	Review Session - Student questions answered

****details of questions from prescribed text will be available for download from Vista**

7. Learning expectations and strategies

Expectations

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

The University's Code of Conduct for Teaching and Learning states:

Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.

Learning strategies

Encouraging you to study and learn independently is an important goal of university education. It is a feature of a *reflective approach* to learning in which you reflect on what it is you are learning and your learning strategy. It is therefore vitally important that your preparation work be done before you attend classes. Otherwise, you will gain very little from attendance, and will be unable to contribute.

You should achieve success in this unit if you:

- keep up-to-date with the reading;
- complete the independent study tasks; attend classes; ask questions;
- practice newly acquired skills;
- consolidate your reading by making appropriate short notes and summaries;
- give yourself plenty of time to write your assignments;
- prepare for and actively participate in the tutorial and workshop sessions;
- take responsibility for your own learning; and make use of the support services available.

If you fall behind with your work you will find that you have too much to make up before the examination and will be under-prepared.

8. Specific attendance/performance requirements

There are no specific attendance requirements for this unit, however **in order to pass the unit you must achieve an overall mark of at least 50% and you must submit the assignments.**

Absence from the test

If you miss the test for an acceptable reason (for example, if a medical certificate is provided to the lecturer), the weighting for the test will be added to the weighting for the final examination. In other words, the final examination would then be worth 80% of your final assessment. ***Alternative test papers will not be set if you miss a test. Work commitments are not considered an acceptable reason for missing a test.***

Absence from classes

If you miss any timetabled session, it is your responsibility to obtain any information that you have missed. As explained above, announcements made in lectures, workshop solutions, and solutions to tutorial problems will be available through the unit's web site.

9. Assessment details

Assessment schedule

Task	Assessment	Date due	Percent weighting
Task 1	Short essay	Week 3 Workshop	5 %
Task 2	Test: Topics from weeks 1 – 4	Week 9 workshop	15%
Task 3	Company report analysis	Week 10 workshop	20 %
Exam	End of semester exam – 3 hours		60 %
Overall Assessment			100%

Assessment task 1 – 5%

Task Description	Short essay – details available for download from Vista
Task length	No more than 1 A4 page – <i>12 pt font, 1 ½ spacing</i>
Links to unit's learning outcomes	Learning outcome 7
Assessment criteria	Logical structure and development Appropriate academic writing style Grammatical correctness
Date due	To be handed in at Workshop 3 (week beginning 12/3/07)

Assessment task 2 – 15%

Task Description	Test. The test will be held during your normal workshop time in Week 9 of semester. The test will cover topics from Weeks 1 to 4 and will include both numerical and short written questions.
Task length	45 minutes plus 5 minutes reading time
Links to unit's learning outcomes	Learning outcomes 1, 2, 3, and 7
Assessment criteria	Correctness of answers to numerical questions and quality of answers to short written questions (substance, relevance, clarity of expression).
Date Due	Week 9 workshop (the week beginning 30/04/07)

Assessment task 3 – 20%

Task Description	Company report analysis – Group assignment (no less than 1 and no more than 4 members) Your task will be to examine and analyse the annual published reports for an Australian company over a number of years. You will be required to calculate a number of ratios and comment on what the ratios reveal about the company. An information sheet with details about how to identify your company, what factors about the company to analyse and detailed criteria by which your assignment will be assessed will be available for download from Vista.
Task length	1200 words
Links to unit's learning outcomes	Learning outcomes 1, 4 and 7
Assessment criteria	Whether the ratio calculations are based on the appropriate figures, are clearly set out, and are arithmetically correct. The quality of your comments (for example, are they relevant, show understanding of the topic, clear and of sufficient depth). Style and presentation.
Date due	To be handed in at Workshop 10 (week beginning 7/5/07)

Final Exam – 60%

Description/conditions

Closed book examination – 3 hours duration

The exam will enable you to demonstrate breadth and depth of understanding across all the unit material. All topics are examinable.

An information sheet with details about the examination will be given to you in the last lecture of the semester.

Date

The final exam is conducted by the University Registrar in the formal examination period. See the *Current Students* homepage (*examinations and results*) on the University's website. You will be informed about the exact day and time of this examination later in the semester.

10. Assessment/Learning Outcomes/Generic Graduate Attributes Matrix

Assessment task: 1	Short essay				
Assessment task: 2	Test				
Assessment task: 3	Company report analysis				
Final Examination:	3 hour - closed book				
Learning Outcomes:					
	Learning outcome 1	√	√	√	√
	Learning outcome 2	√		√	
	Learning outcome 3	√		√	
	Learning outcome 4		√		
	Learning outcome 5	√			
	Learning outcome 6	√			
	Learning outcome 7	√	√	√	√
UTas Generic Graduate Attributes:					
	Knowledge	√	√	√	√
	Communication skills	√	√	√	√
	Problem-solving skills	√	√	√	

Matrix adapted from Unit Outline, Faculty of Business, University of the Sunshine Coast 2003

11. How your final result is determined

Your final result is determined simply by adding your weighted marks for the different assessment components of the unit. To obtain a pass grade or better in the unit, the sum of three weighted marks must be 50% or more of the marks available.

12. Submission of assignments

Assignments are to be presented and submitted in accordance with the *Guide for Students - Presentation and Submission of Assignments* issued by the Faculty of Business. If you chose not to attend the designated workshop when assessment tasks are due you must submit your assignment by midday on the due days. Assignments are to be submitted either via the assignment box, Level 5, Commerce Building, Hobart campus, or the assignment box in the Accounting & Corporate Governance area, Launceston campus, or the Cradle Coast campus office. You must attach a signed cover page to your assignment declaring that all material submitted is your own except where there is clear acknowledgement or reference to the work of others. This sheet is available on the unit's WebCT Vista site. In relation to this point your attention is drawn to the University's rules on **plagiarism** (see section 15 on page 18 of this *Unit Outline*). Assignments will be marked as quickly as possible, and returned with comments and grades awarded.

13. Requests for extensions

Consistent with the Faculty's policy on late submission, extensions of time will only be granted on medical or compassionate grounds. They will not be granted because of work or other commitments. Requests for extension must be made to the unit coordinator in writing on the School's Application for Late Submission Form (available on WebCT Vista) before the due date of the assignment. Medical certificates or other evidence, which supports the application, must be attached and must contain information which justifies the extension sought.

14. Penalties

Late Submission of Continuous Coursework

Assignments that are not handed in by the due date will have marks deducted, unless a signed and approved late submission form is attached. The penalty for late submission of assignments in this unit is 10% of the available mark for each day the assignment is late.

Over-length Work

Where word limits have been specified, assignments exceeding the word limit will not be assessed. They will be returned and must be resubmitted within 48 hours of being returned. Resubmitted assignments will be ineligible for any grade higher than a credit (60 - 69%).

15. Academic referencing

With assignments you may need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others and maintain academic integrity. Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence. Please read the University's statement on plagiarism below.

The appropriate referencing style for this unit is the Harvard referencing method. The recommended text for this unit, *Communication Skills Handbook for Accounting* (2nd edition), provides detailed information about using the Harvard referencing system. Further information on presentation of assignments, including referencing styles is available at:

<http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

You can also access information about the referencing style used in this unit in the *Faculty Guide for Students* available via WebCT Vista or from the School's website - <http://www.utas.edu.au/accg/studentres.htm>

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own; for example, using an author's words without putting them in quotation marks and citing the source, using an author's ideas without proper acknowledgment and citation, copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/>

The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

For further information on this statement and general referencing guidelines, see <http://www.utas.edu.au/plagiarism/> or follow the link under 'Policy, Procedures and Feedback' on the *Current Students* homepage.

16. Further information and assistance

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you are advised to raise these with your lecturer in the first instance.

There is a range of University-wide support services available to you including Student Services, International Services and Learning Development. Please refer to the *Current Students* homepage at: <http://www.utas.edu.au/students/>

Should you require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>

If you have a problem...

- of an administrative nature (for example, tutorial allocation), see the lecturer
- of an academic nature, please ask questions during workshop and tutorial sessions (for individual assistance, you are encouraged to see your tutor during his or her "consultation hours")
- if you have problems using WebCT Vista, contact the service desk
Website: <http://www.utas.edu.au/servicedesk/student/index.html>
Telephone: 6226 1818 Email: servicedesk@utas.edu.au
- if you have any concerns in relation to this unit, then in the first instance you should discuss the matter with your lecturer. However, if you do not feel comfortable approaching your lecturer, or if you have a discussion with your lecturer and are not satisfied with the outcome, then you are encouraged to contact a School of Accounting and Corporate Governance Ombudsperson, who also teaches in the School. The nominated staff for 2007 will be advised in the first weeks of semester.

Discussions with the ombudsperson will be kept in the strictest confidence. If you wish to pursue the matter further, they will provide advice as to how this can be done. The University also has formal policies, which can be accessed at: http://www.admin.utas.edu.au/ac_serv/complaints_info.html

STUDENTS WITH DISABILITIES –University & Faculty Equity Plans:

Goal 1 of the University of Tasmania Equity Plan provides for: “An inclusive teaching and learning environment that values diversity, supports the pursuit of academic excellence and produces high quality education and employment results for all students and staff”. The Faculty of Business Equity Plan facilitates the University Plan at an operational level and has developed an ‘Action Plan’. The Action Plan for Goal 1 lays down procedures to ensure that all students, including those with disabilities, have equal access to lecture and course materials. The School of Accounting & Corporate Governance complies with these procedures.