



# **BFA103**

## **Accounting and Financial Decision Making**

**Semester One 2008**

**School of Accounting and Corporate Governance**

**Faculty of Business**

## **Unit Outline**

**Steve Allen**

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## Unit description

This unit is designed to provide you with an understanding of the role that accounting plays in various aspects of financial decision-making. You will learn how profit and wealth are measured in a business context, and how the major financial statements that provide information about business performance, financial position and cash flows are constructed. 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.

## 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 financial and managerial 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;
5. Explain and apply techniques related to both long-term and short-term managerial planning and decision making;
6. Demonstrate an ability to work independently, and to effectively access, organise and then communicate information, supported by well-reasoned arguments as appropriate.

## Generic graduate attributes

The University has defined a set of generic graduate attributes (GGAs) that can be expected of all graduates (see <http://www.utas.edu.au/tl/policies/index.htm>). By undertaking this unit you should make progress in attaining the following attributes:

1. *Knowledge*; being able to discuss and apply a range of underlying concepts and principles relevant to the practice of accounting;
2. *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; and

3. *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.

## Prior knowledge &/or skills

There are no prerequisite units for BFA103 Accounting and Financial Decision Making.

## Learning resources required

### Requisite texts

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

### Recommended texts

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

Fleet, W., Summers, J. and Smith, B. (2006). *Communication Skills Handbook for Accounting* (2<sup>nd</sup> edition), Milton: Wiley.

In this unit you will not need to make use of other books except perhaps when you are completing the assignments. You may refer to other introductory accounting texts if you wish, but effective use of our text together with the materials that will be provided to you will allow you to satisfy the requirements of the unit.

## Extra learning resources required

### MyLO

MyLO is an internet service that has been adopted by the University and will be used in this unit. MyLO may be accessed on computers in computing laboratories at the University or on your computer at home or at work. Information about accessing and using this service, about required computer specifications and frequently asked questions, and about how to get help if you experience difficulties, is available at the following University website:

<http://www.utas.edu.au/coursesonline>

You are strongly advised to visit this site and become familiar with the features of Vista, especially if you have not used it before. You will probably be using it in other units that you are studying as well. Here are some important points about accessing our web site:

### Access to MyLO

You can access your MyLO course from the Student Page on the University's web site: Current Students ↵ LOGIN MyLO@UTAS or go directly to the web address noted above:

Enter your email POP account "Username" (for example, dsmith) and your "Password". These are identical to the pop account/email username and password that you are given with

your enrolment confirmation form. If you forget your pop account username, contact the Help Desk (see below under 'getting assistance with MyLO). Both MyLo and e-mail passwords must remain the same. If you are going to change your password, change your e-mail password first.

- When you enter your user name and password, click on OK and choose "BFA103" from the list of units (subjects) in which you are enrolled. [NOTE: Another box may periodically appear when using the University network which asks you to verify your user name & password, this is simply a security device – enter your password when asked & click OK].
- MyLO will automatically check that your browser is properly configured. If the MyLO 'browser checker' window appears – scroll down to make sure you have a tick in each area shown – then close the window.
- From the Unit's homepage click on the area you wish to access e.g. "Unit Information". A table of contents will appear on the left hand side of your screen. Scroll through the list until you find what you want & click the underlined topic.

To access MyLO from your own computer you will need the appropriate software, and hardware. See **Learning Online** at <http://uconnect.utas.edu.au> for information about the computer software you will need. Note that older computers may not have the hardware to run some of the required software applications. Contact your local IT support person or the Service Desk on 6226 1818 if you experience difficulties.

For further information on using MyLO, self help sheets can be accessed at: <http://www.utas.edu.au/coursesonline/MyLO-Support.htm>

## 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 7 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. A unit schedule is provided in this unit outline indicating 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 MyLo. *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.*

## **(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 unit's MyLO site at the end of each week. You are encouraged to discuss any problems you encountered with any tasks in your assigned tutorial.

The MyLo site for the unit will have weekly revision quizzes. You are encouraged to complete these quizzes in order to check your understanding of each week's work.

## **(c) Tutorials**

**It is imperative that you attend all tutorial sessions.**

### ***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 MyLo site at the end of each week.

Tutorials commence in week 2.

### ***Hobart and Launceston Campus***

In the first lecture, information will be given about how to register for a tutorial using MyLo. Once you have registered for a particular tutorial session, you must stay with this session. Tutorials work as groups, and to achieve good group interaction it is imperative that you remain with the group to which you are allocated.

### ***Cradle Coast Campus***

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

## **(d) Workshops**

**It is imperative that you attend all workshop sessions.**

### ***Hobart Campus***

Due to the number of students enrolled in the unit, two workshops will be conducted on the Hobart Campus. In the first lecture, information about how to register for a workshop using MyLo will be discussed. There will be no workshop conducted in Week 2. They will commence on a weekly basis beginning in Week 3.

### ***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 MyLo. *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 MyLo site at the end of the relevant week.

## Unit Schedule

Week	Date beginning	Lecture Topic	Lecture illustration	Tutorial topic	Workshop problem	Further information
1	25 February	The role of accounting in business				
2	3 March	The 3 key financial reports	Henry's Hardware	The role of accounting in business		
3	10 March	The 3 key financial reports (cont)	Henry's Hardware	The 3 key financial reports	Joe's Boats	<b>First assignment due – 14 March 3.00 pm</b>
4	17 March	Accrual accounting	Whitely Sounds Pty Ltd	The 3 key financial reports (cont'd)	Recover Upholstery	
<b>Easter (mid-semester) break – Thursday 20 March – Wednesday 26 March</b>						
5	31 March	Accounting for companies	Butler Pty Ltd	Accrual accounting	Darby's Derbys Ltd	
6	7 April	Analysis and interpretation	Anders Ltd	Accounting for companies	Anthony Ltd	
7	14 April	Analysis and interpretation (cont)	Anders Ltd Ashcroft Ltd	Analysis and interpretation	Able & Baker Ltd	
8	21 April	<i>No lecture – Preparation for Test</i>		Analysis and interpretation	-	<b>Test to be held in workshops</b>
9	28 April	Management accounting and budgets	Osborne Ltd	Analysis and interpretation – published financial statements	Sly and Rob Ltd	
10	5 May	Cost-volume-profit analysis	Tarrant Ltd	Management accounting and budgets	Lincoln Ltd	
11	12 May	Capital investing decisions	Jayhawks Ltd	Cost-volume-profit analysis	The Solutions Shop	<b>Second assignment due – 16 May 3.00 pm</b>
12	19 May	Trends and issues in accounting	Decca Enterprises	CVP analysis and capital investing	Big Rock	
13	26 May	Revision and Unit Review	Little Feat Ltd	Revision exercises	Complete Computing	

# 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.

Depending on your reading and writing skills you should achieve success in this unit if you:

- keep up-to-date with the reading from our text;
- complete the independent study tasks each week; 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 sessions by asking questions, provide supportive comments and challenge constructively what has been said;
- 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.

## Specific attendance/performance requirements

There are no specific attendance requirements in this unit, but in order to pass you must attempt every assessment and achieve an overall mark of at least 50%.

# Assessment

## Assessment schedule

Assessment task	Date due	Percent weighting
1 – Short essay	3.00 pm Friday 14 March 2008	5%
2 - Test	Week 8 Workshop	15%
3 – Company report analysis	3.00 pm Friday 16 May 2008	20%
4 - End of semester exam – 3 hours closed book		60%

## Assessment details

### Assessment task 1 – 5%

#### *Task description*

#### **Short essay**

At the first lecture you will be given an information sheet with the essay topic, suggested references and detailed criteria by which the essay will be marked.

#### *Task length*

No more than 1 A4 page – 12pt. font, 1 ½ spacing.

#### *Links to unit's learning outcomes*

Learning outcome 6

#### *Assessment criteria / guidelines*

Appropriate use of source material, logical structure and development, appropriate academic writing style, grammatical correctness..

#### *Dates due*

**3.00 pm Friday 14 March 2008**

## Assessment task 2 – 15%

<b><i>Task description</i></b>	<b>In class test</b>  The test will be held during your normal workshop time in Week 8 of semester. The test will cover topics from Weeks 1 to 4 and will include both numerical and short written questions.
<b><i>Task length</i></b>	45 minutes plus 5 minutes reading time.
<b><i>Links to unit's learning outcomes</i></b>	Learning outcomes 1, 2, 3 and 6 inclusive.
<b><i>Assessment criteria / guidelines</i></b>	Correctness of answers to numerical questions and quality of answers to short written questions (substance, relevance and clarity of expression). The test will contain a series of short written and practical questions related to topics introduced in the Weeks 1 to 4. More information about the test will be provided in the lecture the week before the test
<b><i>Date due</i></b>	The test will be administered in the workshop in <b>Week 8</b> .

### **Assessment task 3 – 20%**

***Task description***

**Company report analysis**

Your task will be to examine and analyse the annual published report 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. This assignment will be completed in pairs. You will be required to form into pairs and register your pair by a specified date. Information about how to register your pair will be given in the early part of the semester.

***Task length***

1 200 words

***Links to unit's learning outcomes***

Learning outcomes 4 and 5.

***Assessment criteria / guidelines***

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***

**3.00 pm Friday 16 May 2008**

### **Assessment task 4 – 60%**

***Description / conditions***

A 3 hour closed book final examination. Information about the content of the examination will be provided in the lecture in Week 13.

***Date***

The final examination is conducted by the University Registrar in the formal examination period. See the Current Students homepage (Examinations and Results) on the University's website.

## Assessment/Learning Outcomes/Generic Graduate Attributes Matrix

Assessment task: 1	Short essay				
Assessment task: 2	In-class test				
Assessment task: 3	Company report analysis				
Assessment task: 4	3 hour - closed book examination				
<b>Learning Outcomes:</b>					
	Learning outcome 1	√		√	
	Learning outcome 2	√		√	
	Learning outcome 3	√		√	
	Learning outcome 4	√	√		
	Learning outcome 5	√	√		
	Learning outcome 6	√		√	√
<b>UTas Generic Graduate Attributes:</b>					
	Knowledge	√	√	√	√
	Communication skills	√	√	√	√
	Problem-solving skills	√	√	√	

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

## How your final result is determined

Your final result is determined by aggregating the assessment as detailed in the assessment schedule above. You must attempt every piece of assessment and gain an overall mark of 50% in order to pass the unit.

### Absence from tests

If you miss a 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 75% 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.

## Submission of assignments

Your assignment is to be presented and submitted in accordance with the *Guide for Students - Presentation and Submission of Assignments* issued by the Faculty of Business. You must attach an **assignment cover sheet** when you submit your assignment. Cover sheets are available on the unit's MyLO web site under "Unit information". Your attention is also particularly drawn to the University's rules on **plagiarism**. Assignments containing any

plagiarised information will be subject to the disciplinary processes of the University. Assignments will be marked as quickly as possible after all have been submitted, and returned with comments and grades awarded.

## 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 of Extension Form (available on MyLO) **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.

## Penalties

### Late Submission of Continuous Coursework

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

If you submit over-length work you will be asked to resubmit the work within 48 hours. There will be an automatic 10% penalty of available marks and 10% for each day that you are late in resubmitting.

## Review of results and appeals

You may request a formal remark of your original submission in accordance with Rule 2 (formerly Rule 111) - Academic Assessment, Clause 22.1. Under Rule 2, clause 23, you may also request a review of your final result in a unit.

For further information see: <http://www.utas.edu.au/tl/supporting/assessment/policies.html>

## Academic referencing

In your written work you will 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.

The appropriate referencing style for this unit is the Harvard referencing method. Refer to the Faculty of business Guide for Students at <http://www.utas.edu.au/acfin/studentres.htm>

A recommended text for this unit, Fleet, W., Summers, J. and Smith, B. (2006). *Communication Skills Handbook for Accounting* (2<sup>nd</sup> edition) also provides detailed information about using the Harvard referencing system.

For information on presentation of assignments, including referencing styles:

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

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

## Plagiarism

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.

## 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 Teaching & Learning, Student Services, and International Services. 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/>

## School ombudspersons

If you have any concerns about 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 do have a discussion with the lecturer and are dissatisfied with the outcome, then you may contact one of the schools ombudspersons. Contact details for the ombudspersons for 2007 are as follows:

Simone Bingham  
Room: 421, Commerce Building, Hobart  
Ph: (+61 3) 6226 2314  
E-mail: [Simone.Bingham@utas.edu.au](mailto:Simone.Bingham@utas.edu.au)

Belinda Williams  
Room: A257, Launceston  
Ph: (+61 3) 6324 3661  
E-mail: [bwilliams@postoffice.utas.edu.au](mailto:bwilliams@postoffice.utas.edu.au)

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](http://www.admin.utas.edu.au/ac_serv/complaints_info.html)

## **Students with disabilities - University and 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.

## **Occupational health and safety (OH&S)**

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University’s policy at: [http://www.admin.utas.edu.au/hr/ohs/pol\\_proc/ohs.pdf](http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf)

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