MNGT6210
Accounting & Financial Management (Intensive)

Session 3, 2014
# Course calendar

## Session 3, 2014

### Accounting & Financial Management (Intensive)

**MBA (Executive)**

<table>
<thead>
<tr>
<th>Week no.</th>
<th>Week begins</th>
<th>Unit</th>
<th>Assessment due (% weighting)</th>
<th>Other activities</th>
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</table>
| 1        | 8 September | Unit 1
Unit 2
Unit 3
Unit 4 |                | Teleconference             |
| 2        | 15 September| Unit 5
Unit 6                  |                | **Intensive Weekend 1**
Friday, 19 September (6pm – 9pm)
Saturday, 20 September (9am – 5pm)
Sunday, 21 September (9am – 5pm) |
| 3        | 22 September |                    |                |                                         |
| 4        | 29 September | Unit 7
Unit 8                  |                |                                         |
| 5        | 6 October   | Unit 9
Unit 10                 |                |                                         |
| 6        | 13 October  |                        |                | **Mid Session Exam** (25%)
Saturday, 25 October                |
| 7        | 20 October  |                        |                |                                         |
| 8        | 27 October  |                        |                |                                         |
| 9        | 3 November  | Unit 11
Unit 12                 |                |                                         |
| 10       | 10 November |                        |                | **Intensive Weekend 2**
Friday, 14 November (6pm – 9pm)
Saturday, 15 November (9am – 5pm)
Sunday, 16 November (9am – 5pm)    |
| 11       | 17 November |                        | **Assignment 1** (25%)
due Saturday, 22 November             |
| 12       | 24 November |                        |                |                                         |
| 13       | 1 December  |                        |                | **Final Exam** (50%)
Saturday, 6 December               |
Course outline

The aim of this course is to show how the effective use of financial information can improve organisational decision making. The course provides a broad introduction to the accounting function. The language of accounting and financial management is exacting. Our aim is to increase your familiarity with key components of this language.

This course examines the design, components and operation of accounting systems. Users of accounting information are typically classified as either external users, such as investors, or internal users, for example, managers. Different users have different interests and different decisions to make. Accordingly, their supporting accounting systems also differ. This course deals with the needs of these two main user groups.

Effective decision making by corporate stakeholders and managers often depends on being able to determine what something is worth and/or what something costs, respectively. The overall aim of this course is to help you use financial information to improve your decisions as managers. We assume that you have little prior knowledge of accounting and financial management. Our central aim is to cut a path through a myriad of accounting techniques and terminology, equipping you with sufficient conceptual and practical skills to make you, and any professional who may advise you, confident in your ability to understand complex financial strategies.

Why accounting and financial management?

Understanding the importance of the course Accounting & Financial Management as a building block in the MBA (Executive) Program is an essential element of your participation in this course. Without this understanding, difficult aspects of the course are prone to be ignored, or worse still, rationalised as unimportant. The best way of understanding the importance of accounting and financial management is to personalise it. Imagine you are considering the purchase of a car, or alternatively your ability to send your children to a private school. Factors that will immediately influence your decision are the total cost of the intended action and the required timing of outlays in relation to your expected income. In the case of both decisions, it is important that you budget successfully so that other commitments are not adversely affected. You have to establish priority lists based on the likely return from investing in one asset as opposed to another. In the case of the purchase of a car the return is not necessarily as quantifiable as an investment in a bank. However, there is a return. For example, the return may be the ability to be in the right place at the right time.
In principle, the decisions made by organisations are no different from personal ones. Different investment projects require cash outlays at different times and, in the context of limited resources, decisions must be made between investment projects. Perhaps the only difference in these two environments is a matter of scale. Whereas an individual might make one significant investment decision a year, a business may make several a day. As a result, handy techniques have been developed for speeding up these decisions. Regular production of financial reports (accounting) is one such technique and the particular design and use of those reports in decision making (financial management) is another. In this course you will learn how to produce and use accounting reports for the purposes of making informed investment decisions.

**Aims of the course**

The aims of the course are to develop:

- analytic skills associated with the interpretation of accounting reports
- evaluation and judgmental skills associated with the use of accounting information in decision making.

In order to achieve these aims, to become, if you like, more informed consumers of accounting products, it is also necessary for you to have a firm understanding of the ‘manufacturing’ process. Therefore you will also be required to develop:

- technical and computational skills associated with the production of accounting information (although you will certainly not be expected to become accountants!).
Course structure

Units 1 to 3
Understanding profits
(the ‘accrual’ process)

Unit 4
Cash flow statements:
Cash flow and its
relation to profit

Unit 5
Analysing financial
statements: Enhancing
operational efficiency

Unit 6
Managers’ accounting choices:
The role of managerial judgment
in financial statement preparation

Cost concepts and cost
behaviour: their significance
for decision making

Unit 7
Cost behaviour and
Cost-volume-profit analysis

Unit 8
Product and service costing

Managerial planning and control systems

Unit 9
The budgetary process:
Profit and liquidity planning

Unit 10
Budgetary control
systems

Unit 11
Capital investment
analysis

Unit 12
Divisional performance
measurement
This course examines the structure and use of accounting systems and reports. Users of accounting information are usefully categorised as external (investors) or internal (managers). The decisions of interest to these two types of users differ, as do the supporting accounting systems. To facilitate both types of user groups and accounting reports this course is divided into two parts.

The first part (Part A) focuses on external users (investors) and examines how external accounting reports (i.e. a company’s ‘Balance sheet, income statement, statement of cash flows’) are prepared, structured and used. This understanding is then reinforced through the use of worked examples, in-text questions (class discussion and self-study) and a set of multiple choice exercises (self study), which develop your practical skills in using a set of external reports.

The second part (Part B) focuses on internal users (managers) and examines how and why financial plans, such as profit plans and budgets, are developed and used by managers. Understanding is again reinforced through the use of examples, problems for class discussion, self study, and assignment work to demonstrate how these plans can be employed to control an organisation and monitor performance in critical areas.

**Program Learning Goals**

This course contributes to the development of the MBA(Executive) Program Learning Goals, which are the qualities, skills and understandings we want you to have by the completion of your degree, as indicated below:

- An in-depth engagement with the relevant disciplinary knowledge in its interdisciplinary context
- Critical and analytical thinking
- Decision-making and problem-solving
- An ability to manage change

Program Learning Goals are developed throughout the program of study. Each course will not necessarily address all Program Goals or develop them to an equal extent.
Assessment

The course material provides an opportunity for self-assessment via the inclusion of in-text questions and solutions. Self-assessment is also facilitated by problems for self study, sample exams and multiple choice questions (on Moodle).

There are three major components of assessment:

- assignment
- mid-session exam
- final exam.

Assessment criteria

In order to pass this course, you must;

- Achieve an aggregate (overall) mark of at least 50, and
- Achieve a minimum pass grade in the final piece of assessment

Unless otherwise specified, the following criteria will be applied in assessing your written work:

- attention to the primary focus of the exercise or assessment
- evidence of understanding of the concepts, theories and ideas developed in the course
- ability to apply these concepts to examples from your own experience
- capacity to structure an assignment logically, showing clarity of thought
- degree to which the material submitted for assessment addresses the specified assignment requirements, including limiting the assessment to the required length.
Assessment policy

The assessment process plays two roles: it provides feedback to you on your progress, and is a means of testing and grading your performance. All information on assessment is provided in the Assessments and examinations section on the AGSM website. Please refer to these policies for details on how to present your assignments.

http://www.asb.unsw.edu.au/currentstudents/agsmmba/academicinformation/assessmentsandexaminations/Pages/default.aspx

Mid session exam

Date: Saturday, 25 October 2014
Weight: 25%
Duration: 1.5 hours (plus 5 minutes reading time)

There will be a variety of questions, in the class exam. These may include a combination of both multiple choice and practical calculation questions. A sample exam and solutions will be made available on Moodle prior to the mid-term exam so as to assist you in your preparation for this assessment.

Assignment 1

Due: Saturday, 22 November 2014
Weight: 25%
Maximum Length: Not applicable

The assignment requirements are detailed on UNSW Moodle. The assignment must be submitted in order to satisfy the course requirements. The assignment should be submitted to your instructor at the time of the class session in which it is due. (In the case of an intensive offering of AFM submission will be via email by the Saturday of that week.) A completed assessment cover sheet must be attached to the front of your submitted assignment. Blank assessment cover sheets for your use are included at the end of this overview.
Final exam

Date: Saturday, 6 December 2014
Weight: 50%
Duration: 3 hours (plus 15 minutes reading time)

There will be a variety of questions, both discursive and practical in the final exam. Copies of a sample exam and solutions will be available on Moodle prior to the final exam so as to assist you in your preparation for this assessment.

Open book exam policy

Under the open book exam policy you may bring your course materials and any textbook provided as part of the course materials into the exam session. Your materials may be annotated and the use of Post-it™ Notes is permitted. Your own study notes are also permitted. However, you are strongly cautioned against copying the work of others. Copying the work of others is plagiarism, which carries severe penalties.

Calculators with alpha keypads, laptop computers and other electronic devices are prohibited.

Students from non-English speaking backgrounds who have written approval from Award Programs may use standard linguistic dictionaries. No other dictionaries are permitted.

If you inadvertently enter the exam session with prohibited material or equipment, surrender it immediately to the exam supervisor.

For full details on exam policy and procedures, please refer to the ‘Assessments and examinations’ section on the AGSM website.

http://www.asb.unsw.edu.au/currentstudents/sgsmmba/academicinformation/assessmentsandexaminations/Pages/default.aspx
Learning technology

Course materials

The learning materials for this course comprise of a folder and disc containing the course overview and 12 study units corresponding to the 12+ weeks of the session. A copy of the Woolworths Limited 2013 Annual Report is also available on Moodle. You will be referred to this report at various points throughout the course.

Exercises

The material for Accounting & Financial Management includes a series of multiple choice questions designed to reenforce your understanding of accounting and to introduce you to popular forms of financial analysis. The comprehensive set of multiple choice exercises are based on the materials contained in this course pack. Each unit contained within this pack introduces you to a different aspect of the accounting process. The questions are broken down into a series of units that correspond to the units contained in the course pack. The purpose of these exercises is to enhance and confirm your understanding of the concepts and mechanics presented in the unit. These exercises are designed to be worked in sequence with the materials. A general level of comprehension must exist before you begin working through the multiple choice exercises. The exercises are categorised under the same headings used in these notes. The exercises will provide you with good preparation for both the mid-session and the final exams.

This icon indicates when you should attempt these questions (questions are contained on both student DVD and Moodle).

Self-study activities

- *The problems for class discussion* will be used in the weekly class sessions. You should ensure that you are familiar with the questions and have attempted an answer prior to each class session.

- *The problems for self study* are designed to give you further practice in the types of problems set out in the units. You need not do all of the problems for self study. However, you should do enough to satisfy yourself that you understand the material covered by the course so far. Detailed solutions are provided in order to assist those of you who are new to the discipline. Your solutions to many of the problems need not be in writing, and you can save time by using abbreviations.
Recommended texts

The written instructional material is designed to be largely self-contained. However, as the material is introductory, students may wish to extend their understanding by consulting other material.

The following texts are recommended for further study although they are not required to successfully complete the course. They provide an alternative way of presenting some of the material as well as providing additional information.

An excellent programmed learning text for those having trouble with the ‘mechanics’ of accounting is:


In the area of internal accounting reports we recommend:


Workshop

This course has two workshops. Each workshop has a scheduled duration of two and a half days.

Supplementary materials

A glossary of common accounting and financial terms has been included on UNSW Moodle.

In addition a number of recent articles relating to issues raised in the materials has been included on UNSW Moodle. Your instructor may refer you to some of these articles so as to illustrate a practical example of the issues raised through class discussions.

Web based support

In *Accounting & Financial Management* we are using an online environment called eLearning. By providing you with this online environment we hope to stimulate the sharing of ideas and understandings around the content of this course.
The MBA (Executive) current students’ website also provides administrative information relating to workshop times and venues.

The online documents are PDF (Portable Document Format) files, which allow you to access the course units in the same visual format contained in the course material binders. The PDF files can be viewed, printed and navigated using Adobe Acrobat® Reader.

The online files contain links to facilitate faster navigation through each unit, for example, the contents page has links to each major unit heading.

The website is an additional resource and is not core to the course requirements. Participants will not be disadvantaged if they do not have Internet access.

**eLearning support**

**eLearning@AGSM MBA (http://telt.unsw.edu.au)**

To access eLearning@AGSM MBA, go to http://telt.unsw.edu.au and select Login to UNSW Moodle.

**Username:** \(\text{zNumber}\)

**Password:** \(\text{zPass}\)

Should you have any difficulties accessing your course online, please contact the eLearning support below:

**For login issues**

**UNSW IT Service Centre**

**Hours:**
- Monday to Friday: 8.00 am to 8.00 pm
- Saturday and Sunday: 11.00 am to 2.00 pm

**Email:** ITServiceCentre@unsw.edu.au

**Phone:**
- Internal – x51333
- External – +61 2 9385 1333

For assistance in using Moodle, including how to upload assessments.

**The AGSM eLearning Coordinator**

**Tel:** +61 2 9931 9541

**Email:** elearning@agsm.edu.au

**Phone:**
- Internal – x19541
- External – 02 9931 9541
- International – +61 2 9931 9541
For help with technical issues and problems.

**External TELT Service Centre**

**Hours:**  
Monday to Friday: 7.30 am to 9.30 pm  
Saturday and Sunday: 8.30 am to 4.30 pm

**Email:** externalteltsupport@unsw.edu.au

**Phone:**  
Internal – x53331  
External – 02 9385 3331  
International – +61 2 9385 3331

**AGSM MBA Programs contact details**

**Student Experience**

If you have any administrative queries, they should be addressed to Student Experience.

**Student Experience**  
AGSM MBA Programs  
Australian School of Business  
UNSW SYDNEY NSW 2052

**Tel:** +61 2 9931 9400  
**Fax:** +61 2 9931 9205  
**Email:** studentexperience@agsm.edu.au

**Additional student resources and support**

The University and the Australian School of Business provide a wide range of support services for students, including:

- **AGSM manual: Managing Your Learning**
- **ASB Education Development Unit (EDU)** 
  (www.business.unsw.edu.au/edu)  
  Academic writing, study skills and maths support specifically for ASB, AGSM and MBT students.  
  Services include workshops, online and printed resources, and individual consultations.  
  EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph.: +61 2 9385 5584; Email: edu@unsw.edu.au

- **UNSW Learning Centre** 
  (www.lc.unsw.edu.au)  
  Academic skills support services, including workshops and resources, for all UNSW students. See website for details.
- **Library training and search support services**
  [http://info.library.unsw.edu.au](http://info.library.unsw.edu.au)

- **eLearning information**
  [elearning@agsm.edu.au](mailto:elearning@agsm.edu.au)

- **UNSW IT Service Desk**
  Technical support for problems logging in to websites, downloading documents etc. Library, Level 2;
  Ph: +61 2 9385 1333.
  Website: [www.its.unsw.edu.au/support/support_home.html](http://www.its.unsw.edu.au/support/support_home.html)

- **UNSW Counselling Service**
  ([www.counselling.unsw.edu.au](http://www.counselling.unsw.edu.au))
  Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as ‘Coping With Stress’ and ‘Procrastination’.
  Office: Level 2, Quadrangle East Wing; Ph: +61 2 9385 5418

- **Student Equity & Disabilities Unit**
  ([http://www.studentequity.unsw.edu.au](http://www.studentequity.unsw.edu.au))
  Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning.
  Office: Ground Floor, John Goodsell Building; Ph: +61 2 9385 4734
Acknowledgements

Course leader

Kevin Clarke  BBus, GradDipTax, Mtax, MEc Phd ACU, ICAA.
Senior Lecturer, Member of the School of Accounting in the Australian School of Business

Contributors

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John Macmullen
Ken Trotman
Greg Whittred

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ANZ Banking Group
Lend Lease Corporation
NSW Education and Training Foundation

These organisations have also contributed their vision, commitment and expertise to the design and content of the program. In so doing, they are working with AGSM MBA Programs to enhance the quality and skills of Australia’s managers.
The program would also like to thank the following academic consultants who provided helpful criticism and advice on various aspects of the materials:

Claudia Gormley  MEc(Syd), ACA
Bryan Howieson  Department of Accounting and Finance, University of South Australia
Scott Muller  MBA, MSc(MarEng), BE(Mech)
Roger Simnett  School of Accounting, University of New South Wales
Ken Trotman  School of Accounting, University of New South Wales
Appendix

Appendix 1 Assessment cover sheet
Appendix 1

Assessment cover sheet
## Student details

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<tr>
<th>Student ID</th>
<th>Name</th>
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## Terms of Agreement

- I declare that I have read, understood and followed the University Rules in respect of student academic misconduct outlined in the [Student Code](https://www.business.unsw.edu.au/agsm) and the [Student Misconduct Procedures](https://www.business.unsw.edu.au/agsm).
- I declare that this assessment item is my own work, except where acknowledged, and has not been submitted for academic credit previously in whole or in part.
- I declare that appropriate citation methodology has been used throughout the assignment in accordance with the UNSW policy on Academic Misconduct.
- I have read the policy on plagiarism in the [Managing Your Learning manual](https://www.business.unsw.edu.au/agsm).
- I acknowledge that the assessor of this item may, for assessment purposes:
  - provide a copy to another staff member of the University.
  - communicate a copy of this assessment item to a plagiarism checking service (such as Turnitin) which may then retain a copy of the assessment item on its database for the purpose of future plagiarism checking.
- I have retained a copy of this assignment, which I can provide if necessary.
- By signing this declaration I am agreeing to the statements and conditions above.

## Please complete either the individual OR group assessment declaration below

### Individual assessment declaration:

- This assessment item is my own work, except where acknowledged, and is not the result of collaboration with others.

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### Group assessment declaration:

- This work is the result of collaboration amongst all members of the group listed below and no others. All members of the group have contributed to the assessment.

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NB: If submitting electronically please type name/s into the signature field.

[AGSM @ UNSW Business School](https://www.business.unsw.edu.au/agsm)