MNGT 8620
Accounting & Financial Management

Course Outline
Session 2, 2016

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PART A: COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Kevin Clarke
Room: UNSW, Quad Building, Room 3157
Contact Ph: 02 9385 4270
Email: kevinc@agsm.edu.au
Consultation Times: By appointment via email

2 COURSE DETAILS

2.1 Teaching Times and Locations

Cliftons Hong Kong, Level 5 Hutchison House, 10 Harcourt Road, Central
Ph: +852 2159 9999

<table>
<thead>
<tr>
<th>#</th>
<th>Day</th>
<th>Date</th>
<th>Lecture time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saturday</td>
<td>21 May 2016</td>
<td>2:00pm – 8:00pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>2</td>
<td>Sunday</td>
<td>22 May 2016</td>
<td>10:00am – 7:00pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>3</td>
<td>Monday</td>
<td>23 May 2016</td>
<td>7:00pm – 10:15pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>4</td>
<td>Tuesday</td>
<td>24 May 2016</td>
<td>7:00pm – 10:15pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>5</td>
<td>Thursday</td>
<td>26 May 2016</td>
<td>7:00pm – 10:15pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>6</td>
<td>Friday</td>
<td>27 May 2016</td>
<td>7:00pm – 10:15pm</td>
<td>Cliftons, HK</td>
</tr>
<tr>
<td>7</td>
<td>Saturday</td>
<td>28 May 2016</td>
<td>2:00pm – 8:00pm</td>
<td>Cliftons, HK</td>
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<tr>
<td>8</td>
<td>Sunday</td>
<td>29 May 2016</td>
<td>10:00am – 7:00pm</td>
<td>Cliftons, HK</td>
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2.2 Bad Weather Policy

Classes will be cancelled if a No. 8 or higher tropical cyclone warning signal or black storm warning is raised at any time from 3 hours before the start of the class. In the event of cancellation due to bad weather, make up classes may or may not be held depending on room/lecturer availability.

2.3 Units of Credit

The course is worth 6 units of credit.

2.4 Summary of Course

This course examines the design 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 both the external users and internal users of accounting.
2.5 Course Aims and Relationship to Other Courses

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 financial accounting is exacting. Our aim is to increase your familiarity with key components of this language. Effective decision-making by investors 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 investors and/or as managers. 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.

MNGT8620 ‘Accounting & Financial Management’ is an introductory accounting course. It is a pre-requisite for the more advanced accounting subjects. There are no pre-requisites for studying MNGT8620 ‘Accounting & Financial Management’. Participants are assumed to have no prior knowledge of either financial or management accounting.

2.6 Student Learning Outcomes

By the end of this course, you should be able to:

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<table>
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<tbody>
<tr>
<td>1</td>
<td>Explain the objectives, concepts and relationships that underpin both internal and external financial reports;</td>
</tr>
<tr>
<td>2</td>
<td>Analyse the contents of both internal and external financial reports;</td>
</tr>
<tr>
<td>3</td>
<td>Apply analytical tools, techniques and frameworks to evaluate and critically examine the contents of both internal and external financial reports;</td>
</tr>
<tr>
<td>4</td>
<td>Research the performance and position of reporting entities;</td>
</tr>
<tr>
<td>5</td>
<td>Communicate financial information to interested stakeholders in an ethical and professional manner;</td>
</tr>
<tr>
<td>6</td>
<td>Effectively collaborate in both the construction and presentation of financial data pertaining to a reporting entity or unit;</td>
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</tbody>
</table>

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate postgraduate coursework students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. ‘be an effective team player’). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. ‘participate collaboratively and responsibly in teams’).
**MBA Program Learning Goals and Outcomes**

**Learning Goal 1: Business Management Knowledge**
Students should be able to identify and apply current knowledge of disciplinary and interdisciplinary theory and professional practice to general management and business within diverse situations.

**Learning Goal 2: Critical Thinking**
Students should understand and be able to identify, research and analyse complex issues and problems in business and develop appropriate solutions.

**Learning Goal 3: Communication**
Students should be able to produce written documents and oral presentations that communicate effectively complex disciplinary ideas and information for the intended audience and purpose.

**Learning Goal 4: Teamwork**
Students should be able to participate collaboratively and responsibly in teams and to reflect upon their own contribution to the team and on the necessary processes and knowledge within the team to achieve specified outcomes.

**Learning Goal 5: Responsible Business**
Students should be able to appraise ethical, environmental and sustainability considerations in decision making and in practice in business.

Students should be able to consider the social and cultural implications of management practices and of business activities.

**Learning Goal 6: Leadership**
Students should be able to reflect upon their own personal leadership style and the leadership needs of business and of teams.

**Learning Goal 7: International Perspective**
Students should understand the needs of undertaking business within a global context.

Students should be able to apply business management knowledge to business situations within global markets with due recognition for differences in cultural, legal, commercial and other issues.

**Learning Goal 8: Risk Management**
Students should be able to demonstrate an understanding of the limits in precision and the risks associated with business models.

Students should be able to appraise risk and to develop risk mitigation strategies applicable to business undertaken within uncertain and volatile environments.

For more information on the Postgraduate Coursework Program Learning Goals and Outcomes.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be practised in tutorials and other activities):
3 LEARNING AND TEACHING ACTIVITIES

3.1 Learning Activities and Teaching Strategies

This course will be conducted over teaching 10 day period. Each of the 8 class sessions will focus on a series of issues, problems and small case studies. [Recommended readings should be completed prior to the commencement of the class].

This course uses a combination of lectures and interactive class sessions structured around case-study based materials. The analysis of problems and actual financial statements will be employed to apply the key concepts, theories and models to the practice of accounting.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:
- achieve a composite mark of at least 50 percent; and
- make a satisfactory attempt at all assessment tasks (see below).
4.2 Assessment Details

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Weighting</th>
<th>Length</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Quiz (individual)</td>
<td>20%</td>
<td>1 hour</td>
<td>27 of May, 2016</td>
</tr>
<tr>
<td>Assignment (group or individual)</td>
<td>30%</td>
<td>As per guidelines</td>
<td>15 of July, 2016</td>
</tr>
<tr>
<td>Final exam (individual)</td>
<td>50%</td>
<td>2 hours + 10 minutes reading time</td>
<td>23 of July, 2016</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Class Quiz**
- Weight: 20%
- Duration: 1 hour (plus 5 minutes reading time)
- Date: 27 of May, 2016

The mid semester class test will be an open book exam. The exam will contain only multiple-choice questions.

**Assignment**
- Weight: 30%
- Due: 15 of July, 2016

The assignment requirements will be handed out in class. The assignment must be submitted in order to satisfy the course requirements. For guidelines on formatting and presenting your assignment, see MBA Policies and Procedures/ Assessment and Examinations.

**Final exam**
- Weight: 50%
- Duration: 2 hours (plus 10 minutes reading time)
- Date: 23 of July, 2016

The final exam will be open book. There will be a variety of questions, both discursive and practical. The final exam may contain multiple-choice questions, calculation based questions and/or essay style questions. Copies of a sample exam and solutions will be distributed to assist you in your preparation for this assessment.

4.3 Assessment Format

For guidelines on formatting and presenting your assignment, see https://www.business.unsw.edu.au/agsm/students/resources/assessments-and-examinations Assignment Submission Procedure

Assignment should be emailed to both the Hong Kong office and the lecture by the close of business on **15 of July, 2016**
4.4 Late Submission

AGSM MBA Programs applies a daily penalty of 5% to late assignments. This policy was reviewed recently in light of the fact that certain schools within the Australian School of Business apply a 10% penalty. The decision of AGSM MBA Programs following this review was that current 5% penalty is appropriate to all of our programs and will remain unchanged.

Refer to policy at: https://www.business.unsw.edu.au/agsm/students/resources/assessments-and-examinations

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Quality Assurance

The UNSW Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of UNSW Business School. All material used for such processes will be treated as confidential and will not be related to course grades.

5 COURSE RESOURCES

- The learning materials for this course comprise a folder containing the 12 study units corresponding to the 12 topics covered during the session. A copy of the Woolworths Limited Annual Report has also been supplied on Blackboard. You will be referred to this report at various points throughout the course materials.

- **The problems for class discussion** will be used during the 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 text is recommended for further study although it is not required to successfully complete the course. It does provide an alternative way of presenting some of the material as well as providing additional information.


- UNSW Library information link is at: http://info.library.unsw.edu.au/web/services/services.html
6 COURSE EVALUATION AND DEVELOPMENT

Mid and end of session feedback is sought from all MBA students about all courses offered by the School and continual improvements are made based on this feedback. Significant changes to courses and programs within the School are communicated to subsequent cohorts to students. For this year specific change have been made, based on student feedback, with regard the materials and the subject’s website.

7 COURSE SCHEDULE

Day 1: Saturday, 21 May 2016 (2.00pm – 8.00pm)

Topic 1: Nature and Objectives of External Financial Reporting
- Nature of accounting
- Principal Financial Statements
- The objective of financial reporting
- The regulatory environment
- Development of accounting principles and standards

Readings/references:
- AGSM: Accounting & Financial Management, Unit 1

Topic 2: The Basic Financial Statements
- The accounting equation
- Assets: nature and recognition
- Liabilities: nature and recognition
- Shareholders’ equity
- Determination of profit
- Difference between profit and cash
- Relationship between the major financial statements
- The Annual report: a more detailed analysis
- Transaction analysis

Readings/references:
- AGSM: Accounting & Financial Management, Unit 2
- Woolworths Limited Annual Reports

Activities/Assessment Due:
- Kershaw case study; Sounds of Silence case study (Part 1)
Day 2: Sunday, 22 May 2016  (10.00am – 7.00pm)

**Topic 3: The Accounting Cycle**
- What are accounting transactions
- Journal entries
- Posting to the general ledger
- Trial balance
- Financial statements
- Conceptual foundation of accrual accounting
- Accrual accounting adjustments
- Accounting for inventory
- Depreciation
- Contra accounts
- Accounts receivable

**Readings/references:**
- AGSM: Accounting & Financial Management, Unit 3
- Woolworths Limited Annual Reports

**Activities/Assessment Due:**
- Sounds of Silence case study (Part 2)
- Workshop questions (supplied)

Day 3: Monday, 23 May 2016  (7.00pm – 10:15pm)

**Topic 4: Cash Flow Statement**
- Structure and purpose of the Cash Flow Statement
- Understanding cash flow from operations
- Cash flow statement procedures
- Liquidity and solvency issues

**Reading:**
- AGSM: Accounting & Financial Management, Unit 4

**Activities/Assessment Due:**
- AAA Ltd exercise; One.Tel Limited case study
Day 4: Tuesday, 24 May 2016  
(7.00pm – 10:15pm)

**Topic 5: Financial Statement Analysis**
- Purpose and framework for financial analysis
- Ratio analysis
- Risk analysis
- Common size financial statements
- Effective cash management

**Reading:**
- AGSM: Accounting & Financial Management, Unit 5

**Activities/Assessment Due:**
- Food & Household Ltd case study; Alpha Technology case study

Day 5: Thursday, 26 May 2016  
(7.00pm – 10:15pm)

**Topic 6: Financial accounting review**
- Accrual accounting and cash flows

**Reading:**
- AGSM: Accounting & Financial Management, Units 1 to 4.

**Activities/Assessment Due:**
- Class practice questions

Day 6: Friday, 27 May 2016  
(7.00pm – 10:15pm)

**Topic 7: Accounting policy choices**
- Implication of accounting policy choices

**Reading:**
- AGSM: Accounting & Financial Management, Unit 6

**Activities/Assessment Due:**
- Class quiz
- Willowood Case study
Day 7: Saturday, 28 May 2016  
(2.00pm – 8:00pm)

**Topic 8: Cost volume-profit analysis**
- Introduction to management accounting
- Cost behaviour
- Cost volume-profit analysis

**Reading:**
- AGSM: Accounting & Financial Management, Unit 7

**Activities/Assessment Due:**
- T Shirt; PW Corporation; Stonedone Corporation

**Topic 9: Product and Service Costing**
- Use of product and service costs
- Cost types: product versus period
- Types of costing systems
- Job Costing
- Plant wide v. department overhead costs
- Activity based costing
- Segment profitability analysis

**Reading:**
- AGSM: Accounting & Financial Management, Unit 8

**Activities/Assessment Due:**
- Kadok case study; Purefoods Products case study; Tappa & Co case study

Day 8: Sunday, 29 May 2016  
(10:00am – 7:00pm)

**Topic 10: Budgeting (part 1: planning)**
- Purpose of budgeting
- Profit planning
- Master budget
- Cash budgets and liquidity planning

**Reading:**
- AGSM: Accounting & Financial Management, Unit 9

**Activities/Assessment Due:**
- The Brewing Company case study
Topic 11: Budgeting (part 2: Control)
• Flexible budgeting
• Variance analysis

Reading:
• AGSM: Accounting & Financial Management, Unit 10

Activities/Assessment Due:
• Brisbane Electrical Components case study

Topic 12: Capital Budgeting
• Capital budgeting

Reading:
• AGSM: Accounting & Financial Management, Unit 11

Activities/Assessment Due:
• Crisis Couriers case study

Topic 13: Performance Reports/subject review
• Performance reports (including) ‘Balanced scorecard’

Reading:
• AGSM: Accounting & Financial Management, Unit 12