



## Financial Accounting 3

ACG 36 OUA Study Period 1 - 2017

External - Distance Education

## Introduction

### Welcome

Welcome to your studies in Financial Accounting 3 (ACG36). This Unit continues the study of company accounting that you commenced in Financial Accounting 2 by considering in particular the requirements of a number of issues that affect the preparation of general purpose financial reports by groups of companies.

Before commencing this Unit, ensure you know and understand accounting for acquisitions of companies, share issues and tax effect accounting from your previous units. A high level of understanding of these previous topics is necessary to be able to prepare group accounts.

The material covered in this Unit is technical and you will need to work methodically through the topics to ensure you have a clear understanding of the requirements. The content of this Unit is complex, like accounting in practice, and this is why it has been included at this stage in your program, the fourth financial accounting unit. Although difficult, it is important as it is assumed knowledge for the accounting profession. It is the responsibility of the staff teaching this Unit to assist you to gain that understanding, but equally it is your responsibility to allocate sufficient time to the study of this material. On average, it would be expected that students would allocate a minimum of approximately 10 hours per week (including Virtual Class (VC) time) to this task. Although you may have succeeded in earlier Units with less time commitment, you need to remember that this is your final financial accounting unit, and your last opportunity to ensure you graduate with strong accounting skills to serve you well in your career. A useful resource can be found at [http:// w3.unisa.edu.au/ counsellingservices/balance/workload.asp](http://w3.unisa.edu.au/counsellingservices/balance/workload.asp)

In developing this Unit we have tried to keep the material relevant and topical so that you can better understand why this study is so important to those of you seeking to become accountants. We have discussed the content of this Unit with a senior public servant, CFOs of public companies, partners in firms and a Professor of Accounting has benchmarked the Unit and its assessment for us. We hope you appreciate the intellectual challenge this Unit requires and that you will engage with the content and feel you have learned something useful.

Daryl Hammill  
Unit Coordinator

## Unit Coordinator(s)

Daryl Hammill

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Email: [cmr\\_oua@unisa.edu.au](mailto:cmr_oua@unisa.edu.au)

Discussion Forum on the learnOnline site is the best method of contacting the Unit Coordinator.

## School Contact Details

### School of Commerce

Postal Address:

OUA Unit, University of South Australia

School of Commerce

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Adelaide 5001

School Phone: (08) 8302 7192

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## General Enquiries

### UniSA Student Advisers

Tel: +61 8 8647 6145

Fax: +61 8 8647 6082

Tel: 1300 361 450 (local call cost - mobile and payphone extra)

Email: [ouainfo@unisa.edu.au](mailto:ouainfo@unisa.edu.au)

Website: <https://i.unisa.edu.au/Campus-Central/OUA/>

## Online resources for your unit

Online resources for this unit can be accessed from your unit homepage via your UniSA student portal <https://my.unisa.edu.au>.

Please also check the OUA @ UniSA website for frequently asked questions and information on administrative processes for OUA students studying with UniSA. <https://i.unisa.edu.au/Campus-Central/OUA/>

OUA students enrolled in UniSA units are eligible to use the Library to support their study. Regardless of where you live UniSA's Off Campus Library Service can help you. Services include phone and online assistance, electronic document delivery to your desktop and postal delivery of loan items and documents. [unisa.edu.au/library-ocls](https://unisa.edu.au/library-ocls)

The Co-op is UniSA's preferred textbook supplier and textbooks can be purchased online at [www.coop.com.au](http://www.coop.com.au).

# Unit Overview

## Prerequisite(s)

ACG11 or ACCT 1008 Accounting for Business;ACG12 or ACCT 1006 Financial Accounting 1;ACG27 or ACCT 2005 Financial Accounting 2.

## Corequisite(s)

There are no corequisite Subjects to be completed in conjunction with this Subject.

## Unit Aim

To extend students understanding of corporate accounting and reporting requirements and related issues.

## Course Objectives

On completion of this Subject, students should be able to:

CO1. be able to apply the International Accounting Standards in the context of a group of companies

CO2. recognise and appreciate the conceptual, statutory and professional requirements that impinge upon the preparation of general purpose financial reports

CO3. appreciate issues related to the preparation of general purpose reports for alternate business structures

CO4. analyse and interpret information disclosed in general purpose financial reports

Upon completion of this Subject, students will have achieved the following combination of Graduate Qualities and Subject Objectives:

	Graduate Qualities being assessed through the Unit						
	GQ1	GQ2	GQ3	GQ4	GQ5	GQ6	GQ7
CO1	•	•	•				•
CO2	•	•				•	•
CO3	•	•				•	
CO4			•				

## Unit Statement

Accounting for Non-Current Assets, Alternative Business Structures: introduction to consolidated entities. Consolidations: the economic entity, preparation of consolidated financial statements including goodwill/ discount on acquisition and the elimination of inter-entity transactions and balances. Non-controlling interests and equity accounting. Foreign Currency transactions and translations.

## Teaching and Learning Arrangements

External

13 weeks

## Value of Unit

4.5 unit points

## Additional assessment requirements

Students must achieve at least 50% in the examination to pass the course.

## Special Requirements

Students will need to achieve at least 50% in the final examination to obtain a pass grade overall.

## Supervised assessment/exam

This unit involves a supervised exam. Please be sure to read the section entitled 'Assessment Summary' later in this Unit Information. Alternatively, you can also access information about exam processes online at

<https://i.unisa.edu.au/Campus-Central/OUA/>

## Study schedule

A table outlining the unit structure and study schedule is printed at the back of this guide. Please refer to it for important information regarding due dates for assignments.

## Further Unit Information

This Unit is taught through doing the required readings from the textbook and electronic readings, and preparing and checking solutions to tutorial questions. Materials for this Unit will be provided online. Recordings of Virtual Classes (VC's) will also be available on the Unit learnonline site.

It is recommended that students view the VC online, do the required reading from the text and then attempt the tutorial questions, before finally checking the solutions to the tutorial questions. Checking solutions to tutorial questions without first attempting them has shown to lead to an increased likelihood of not succeeding in a Unit such as this.

Examination questions are often based on tutorial and practice questions that have had the names, dates and numbers altered and sentences rearranged so coverage of this material is important for your success in the Unit.

### **COMMUNICATION IN THIS UNIT**

Communications in this Unit should **not be** directed to the Unit coordinator. Academic questions should be posted on the discussion forums. You should monitor these regularly and students are encouraged to assist each other wherever possible to enrich their learning experience. The Unit coordinator will only address questions where students seem unable to resolve them, and to provide guidance. Please check the discussion boards to see if your issue has already been addressed before posting it again.

More general questions or urgent matters should be addressed to [cmr\\_oua@unisa.edu.au](mailto:cmr_oua@unisa.edu.au). This email address is monitored regularly and your query will either be answered directly or redirected to the appropriate staff member.

### **Facebook Groups- Important Note**

The preferred means for you to communicate about an OUA Unit, its content, assessment and any queries, is via the discussion forum(s). Some students choose to set up Facebook discussion pages to promote social contact and to discuss the Unit, where they can control who participates. Whether or not you are using the official discussion forum(s), those of you who are using Facebook or any other social media need to be aware that:

1. There are risks in sharing assessable information in a public forum as other students may copy your ideas and they will be in breach of paragraphs 9.2.2 (c) and 9.2.1 (f) of the UniSA Assessment Policies and Procedures Manual. Both of these breaches usually incur a minimum penalty of zero for an assignment.
2. Discussion on Facebook sites is not monitored by the Unit coordinators and so may be misleading or wrong; without this supervision, you must be very careful in assuming that any technical discussion is accurate or relevant.

3. Under no circumstances should you engage in defamatory exchanges on Facebook sites – whether the postings relate to other students or to academic staff or to the University. If we become aware of any comments that are defamatory, the matter will be referred for formal action by the University’s lawyers if those comments are not retracted or removed upon request. Accordingly, we strongly suggest that your discussion on any forum must be of a professional standard and not involve any personal attack or openly derogatory statements.

# Learning Resources

## Textbook(s)

You will need continual access to the following text(s) to complete this course. Where possible the Library will make the book available for student use. Please check the Library catalogue before purchasing the book(s). The Library will always seek to purchase resources that allow an unlimited number of concurrent users, however availability is dependent on license arrangements with book publishers and platforms. <http://www.library.unisa.edu.au>

CAANZ *Financial Reporting Handbook* (Latest edition). John Wiley.

Leo, K, Sweeting, J, Knapp, J & McGowan S (2014). *Company Accounting* (10th edn). John Wiley.

## Reference(s)

The following text is acceptable for this unit:

CAANZ 2016, *Financial Reporting Handbook*, John Wiley & Sons Australia

Note that you must **not** use the **pre 2016 editions** of the *Financial Reporting Handbook* as the earlier editions do not contain the current standards.

You will need the 10th edition of the textbook as the questions used for tutorial and practice questions have changed since the 9th edition. We cannot breach copyright by publishing the questions from the new edition on the Unit learnonline site for you. If you have a copy of the 9th edition then we would recommend that you purchase the electronic version of the 10th edition from <http://au.wiley.com/WileyCDA/WileyTitle/productCd-EHEP003271.html#purchase> for \$50.

## Materials dispatch for this unit

All materials are to be accessed online.

## Materials to be accessed online

### learnonline unit site

All other unit related materials can be accessed through your **learnonline** unit site which you will be able to access from the my Courses section in myUniSA.

### myUniSA

All study related materials can be accessed through: <https://my.unisa.edu.au>

# Assessment

## Use of recorded material

This unit will involve the production of audio and/or video recordings of UniSA students. To protect student privacy, you must not at any time disclose, reproduce or publish these recordings, or related material, in the public domain including online, unless the videoed students give consent for reproduction, disclosure or publication. This requirement is consistent with University statutes, by-laws, policies, rules and guidelines which you agreed to abide by when you signed the Student Enrolment Declaration.

## Assessment Summary

#	Form of assessment	Length	Duration	Weighting	Due date (Adelaide Time)	Submit via	Objectives being assessed
1	Continuous assessment	N/A	N/A	20%	Weekly	WileyPlus	CO1, CO2, CO3, CO4
2	Assignment	1000 words	N/A	20%	1 May 2017, 11:59 PM	learnonline	CO1, CO2, CO4
3	Examination	N/A	3 hours	60%	Other - TBA	Closed book exam	CO1, CO2, CO3

## Feedback proformas

The feedback proforma is available on your course site.

## Assessments

### Continuous Assessment (Graded)

There will be online tutorial questions to be done using WileyPlus each week. All students have free access to the Assessment module of WileyPlus and do not need a WileyPlus registration code. Those students that purchase a textbook with a WileyPlus registration code will have access to further resources provided by the textbook publisher but these are not necessary to study this course and are simply supplementary resources. The question will be one of those prescribed for the tutorial preparation but the online version uses algorithms to ensure each student is presented with different numbers from the version in the textbook and from other students.

There will be 10 weeks of questions in all.

The best 7 of these 10 online tutorial questions will contribute 20% towards your grade.

The time allowed for each question will vary depending on the complexity of the question for each topic. (Note – the time allowed will include an additional 5 minutes beyond what they should take to complete. The time allowed will not be extended under any circumstances and already takes into account allowances required for ENTEXT ('Non English Speaking Background Students') students and those with Disability Access Plans.

The expectation is that prior to sitting down to attempt the online tutorial question each week a student has completed all study resources provided for the relevant topic and has checked the solutions to all review questions. The time allowed for the online question therefore assumes that the student is familiar with the content of the course covered by the question.

On the course website you will find a file that provides information on these questions and where to get IT help and Academic Integrity issues relating to these questions.

It is important that you read this file before attempting these questions.

### Assignment (Graded)

#### **Questions, Directions and Requirements**

The question and detailed instructions for this assignment will be available on the Unit Learnonline site.

#### **Group Work or Individual**

This assignment can be completed on an individual basis or in a group of up to 2 students. If possible, some time may be available in virtual classrooms to work on the assignment in weeks 7 and 8 so that you can clarify any issues you have with the assignment.

**Harvard Referencing is required in this assignment** ([www.unisa.edu.au/ltu/students/study/referencing/harvard.pdf](http://www.unisa.edu.au/ltu/students/study/referencing/harvard.pdf))

Feedback on this assignment will be provided on the feedback rubric, a copy of which will be included with the assignment on the course Learnonline site.

## Examination

Details of the exam will be provided under a separate link on the unit Learnonline site later in the study period.

## Penalties

As per the UniSA School of Business policy a 10% penalty will be applied for each calendar day (or part day) late for assignment submission up until 7 days, after which assignments will not be marked. As per UniSA policy all extensions must be applied for prior to the due date of an assignment and backdated medical certificates will not be accepted.

## Exam Arrangements

If this unit includes an exam as part of the assessment your exam will be managed by OUA Exam Services including examination centre allocation. More information can be found on the OUA Exam Services website <https://www.open.edu.au/student-admin-and-support/exams-and-results/>

## Supplementary Assessment

Supplementary assessment or examination offers students an opportunity to gain a supplementary pass (SP) and is available to all students under the following conditions unless supplementary assessment or examination has not been approved for the unit:

1. if the student has achieved a final grade between 45-49 per cent (F1) in a unit
2. if a student who has successfully completed all of the units within their program, with the exception of two units in their final study period, a supplementary assessment or examination may be granted where the final grade in either or both of these units, is less than 45 percent (F1 or F2)

More information about supplementary assessment is available in section 7.5 of the Assessment Policy and Procedures Manual.

<http://w3.unisa.edu.au/policies/manual/default.asp>

For this unit and all units undertaken within the School of Commerce, students who receive an F2 grade (below 40) will not be awarded a supplementary examination or assessment.

Note: special consideration cannot be granted for a supplementary assessment or examination (APPM 7.7.6).

## Important information about all assessment

All students must adhere to the University of South Australia's policies about assessment:

<http://w3.unisa.edu.au/policies/manual/default.asp>.

## Students with disabilities or medical conditions

Students with disabilities or medical conditions or students who are carers may be entitled to a variation or modification to standard assessment arrangements. See Section 7 of the Assessment Policy and Procedures Manual (APPM) at: <http://w3.unisa.edu.au/policies/manual/default.asp>

Students can register for an Access Plan with UniSA Disability Service. If you indicated you have a disability when you enrolled through Open Universities Australia, you will be sent a letter about UniSA services for students with disabilities. See the UniSA OUA Disability Services for more information:

<http://www.unisa.edu.au/Disability/Current-students/Open-University-Australia>

Students are advised there is a deadline to finalise Access Plan arrangements for examinations. Further information is available at: [http://i.unisa.edu.au/campus-central/Exams\\_R/Before-the-Exam/Exams-for-OUA-students](http://i.unisa.edu.au/campus-central/Exams_R/Before-the-Exam/Exams-for-OUA-students)

## Deferred Assessment or Examination

Deferred assessment or examination is available for the unit.

Note: special consideration cannot be granted for a deferred assessment or examination (APPM 7.7.6).

## Special Consideration

Special consideration is available.

### Special Consideration Exams

The Assessment Policies and Procedures Manual (APPM 2017) defines 'Unexpected or exceptional circumstances are those which were outside the control of the student and/or for which there was no opportunity to prepare in advance.' Special consideration will only be granted where something unforeseen and unexpected happens either on the day of the exam or during the exam. For example, students who are ill for the first time before the exam begins and choose to sit the exam will not be granted special consideration as they have had the opportunity to apply for a deferred exam instead.

A special consideration application will be assessed if:

1. An Exam Incident Report is completed in conjunction with the exam invigilator; and
2. The student leaves the exam early; and
3. The student does not complete the exam or a significant proportion of it.

## Variations to assessment tasks

Variation to assessment methods, tasks and timelines may be provided in:

**Unexpected or exceptional circumstances**, for example bereavement, unexpected illness (details of unexpected or exceptional circumstances for which variation may be considered are discussed in clauses 7.8 - 7.10 of the Assessment Policy and Procedures Manual). Variation to assessment in unexpected or exceptional circumstances should be discussed with your unit coordinator as soon as possible.

**Special circumstances**, for example religious observance grounds, or community services (details of special circumstances for which variation can be considered are discussed in clause 7.11 of the Assessment Policy and Procedures Manual). Variations to assessment in expected circumstances must be requested within the first two weeks of the unit (or equivalent for accelerated or intensive teaching).

**Extra time in exams (ENTEXT)** and the use of a dictionary may be available to some students (for example, Indigenous Australian students and those of non-English speaking background) as follows:

- extra time for reading or writing. This will be an extra ten minutes per hour for every hour of standard examination time, and
- the use of an English language or bilingual print dictionary (without annotations). (APPM 7.2.2)

More information about variation to assessment is available in section 7.2 of the Assessment Policy and Procedures Manual. <http://w3.unisa.edu.au/policies/manual/default.asp> (section 7)

Eligible OUA students must apply to receive this variation. More information can be found on the Exams for OUA students webpage [http://i.unisa.edu.au/campus-central/Exams\\_R/Before-the-Exam/Exams-for-OUA-students/](http://i.unisa.edu.au/campus-central/Exams_R/Before-the-Exam/Exams-for-OUA-students/)

## Marking process

In accordance with University policy, the accounting academic discipline has agreed on moderation procedures to ensure consistency in judgements made about student achievement and feedback given both within individual accounting Units and across accounting Units in the program. This procedure includes preparation and use of marking guides, consultation with all markers who may be involved in marking assessment in this Unit and an overview of marks awarded and feedback provided by the Unit coordinator.

## Academic Integrity

Academic integrity is the foundation of university life and is fundamental to the reputation of UniSA and its staff and students. Academic integrity means a commitment by all staff and students to act with honesty, trustworthiness, fairness, respect and responsibility in all academic work.

An important part of practising integrity in academic work is showing respect for other people's ideas, and being honest about how they have contributed to your work. This means taking care not to represent the work of others as your own. Using another person's work without proper acknowledgement is considered Academic Misconduct, and the University takes this very seriously.

The University of South Australia expects students to demonstrate the highest standards of academic integrity so that its degrees are earned honestly and are trusted and valued by its students and their employers. To ensure this happens, the University has policies and procedures in place to promote academic integrity and manage academic misconduct. For example, work submitted electronically by students for assessment will be examined for copied and un-referenced text using the text comparison software Turnitin <http://www.turnitin.com>.

More information about academic integrity and what constitutes academic misconduct can be found in Section 9 of the Assessment Policies and Procedures Manual (APPM): <http://w3.unisa.edu.au/policies/manual/default.asp>. The Academic Integrity Module explains in more detail how students can work with integrity at the University: <https://lo.unisa.edu.au/mod/book/view.php?id=252142>

## Action from previous evaluations

At the conclusion of this Unit students will be provided with information and a link to an online Unit evaluation instrument.

The Unit coordinators would urge all students to complete this questionnaire as it helps us gain valuable insight into students perceptions/problems etc with the Unit.

A key issue raised in previous evaluations was the amount of work required to complete this Unit. Students need to understand that they need to allocate at least 10 hours per week studying for this Unit (not including extra time required due to any difficulties in relation to language or prior knowledge). It is important that students recognise that this commitment is required and need to organise their time to accommodate these expectations.

Past feedback has also commented on the amount of the Unit dedicated to Consolidations. In the past only four weeks were spent on Consolidations, like most other universities in Australia, and there were two more topics. In response to students having difficulty with Consolidations, it was decided to take six weeks to cover what most other universities cover in four weeks, so that students could achieve a better understanding of this topic. No extra Consolidations content was added, simply two topics were dropped and students given 50% more time to learn Consolidations.

## Further Assessment Information

### DEFERRED EXAMS

It is the policy of the University of South Australia that deferred exams are not normally granted on an already deferred exam.

### SPECIAL CONSIDERATION

In this Unit special consideration will only be granted where something unforeseen happens either on the day of the examination or during the examination, which the student could not have reasonably foreseen. For example, students who are ill before the examination begins but who choose to sit the examination will not be granted special consideration. Such students are advised not to sit the examination, but to apply for a deferred examination instead.

Please note that section 7.7 of the 2016 Assessment Policies and Procedures Manual requires the Unit coordinator to determine the outcome of applications for special consideration. In this Unit the Unit coordinator will normally determine that the outcome is no action and the original result will stand, unless (where the student actually attends the exam) all of the following conditions are met:

1. An Exam Incident Report is completed in conjunction with the exam invigilator as an important part of the supporting evidence required under paragraph 7.7.2 of the 2016 Assessment Policies and Procedures; and
2. The student leaves the exam early; and
3. The student does not complete the final examination or a significant proportion of it.

Where these conditions are met the Unit coordinator will normally provide students with the opportunity to sit a replacement examination in the next scheduled examination period for this Unit (and the mark for the original examination will not be recorded).

### EXTENSIONS FOR ASSIGNMENTS

**Seven (7) day automatic extensions are not available in this Unit.** As a review of the previous study period results showed that students with extensions in the major assignment had a 10% lower pass rate in the exam than those who didn't have extensions, and were twice as likely to not sit the final exam.

Extensions for assignments will only be granted if a medical certificate, email or letter from employer or some other appropriate third party evidence is supplied to support the application. This must be received at least **24 hours prior to the due date** of the assignment. Any request for an extension in the last 48 hours prior to the due time of an assignment must be accompanied by a draft of the assignment answer, to demonstrate that the student has not left all of the assignment to the last minute and run out of time, but has been working diligently on the assignment and been caught out by health, work or personal issues in the last couple of days.

# Study schedule

## OUA Study Period 1 - 2017

	Weeks	Topic	Notes	Assessment Details (Adelaide Time)	WileyPlus
1	27 February - 5 March	Introduction	No VC		
2	06 - 12 March	Property, Plant & Equipment Part 1: Recognition and Measurement	Pre-recorded VC (available 11/3/17)		Q9.2 Closes 11pm 14/3/17
3	13 - 19 March	Property, Plant & Equipment Part 2: Impairment	VC 8.30am Sat 18/3/17		Q13.3 Closes 11pm 21/3/17
4	20 - 26 March	Consolidations Part 1: - Control, Accounting at acquisition date	VC 8.30am Sat 25/3/17		Q19.7 Closes 11pm 28/3/17
5	27 March - 2 April	Consolidations Part 2: - Accounting for acquisition at subsequent dates	VC 8.30am Sat 1/4/17		Q19.9 Closes 11pm 4/4/17
6	03 - 9 April	Consolidations Part 3: - Intragroup inventory transactions	VC 8.30am Sat 8/4/17		Q20.1 Closes 11pm 11/4/17
7	10 - 16 April	Consolidations Part 4: - Intragroup PP&E transactions	VC 6.00pm Tue 11/4/17		Q20.5 Closes 11pm 18/4/17
8	17 - 23 April	Consolidations Part 5: - Non Controlling Interests (NCI)	VC 8.30am Sat 22/4/17		Q21.5 Closes 11pm 25/4/17
9	24 - 30 April	No new work - Assignment preparation	No VC		
10	01 - 7 May	Accounting for Associates (Equity Accounting)	VC 8.30am Sat 6/5/17	Assignment due 01 May 2017, 11:59 PM	Q23.9 Closes 11pm 9/5/17
11	08 - 14 May	Foreign currency Part 1: Transactions	VC 8.30am Sat 13/5/17		Q8.8 Closes 11pm 16/5/17
12	15 - 21 May	Foreign currency Part 2: Translations	VC 8.30am Sat 20/5/17		Q17.5 Closes 11pm 23/5/17
13	22 - 28 May	Revision	VC TBA		
14	29 May - 4 June	Exams			