

Graduate School of Business

FINANCIAL MANAGEMENT 550

Unit Outline last updated 2 September 2008

| TRIMESTER 3 2008 FACE TO FACE | | | | |
|---|--|-----------------------------|-------|------------------|
| Unit Index No | 05699 | | | |
| Credits | 25 | | | |
| Pre-Requisites | None | | | |
| Unit Coordinator | Dr Anna Lee Rowe | | | |
| Lecturers | Dr Anna Lee Rowe Mr Robert Johnson | | | |
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| Class dates and times | Tuesdays 5:30pm – 8:30pm | | | |
| Location | GSB 78 Murray St, Perth; Room 213 | | | |
| IMPORTANT NOTICE | | | | |
| New Text: Bazley, M., Hancock, P. (2007), <i>Contemporary Accounting</i> , 6 th Edition, Thomas Nelson, Australia. | | | | |
| METHOD OF ASSESSMENT | | | | |
| ASSESSMENT | OUTCOME ASSESSED | TYPE OF ASSESSMENT | MARKS | SUBMISSION DATES |
| Assessment 1: Mid-semester test | 1 | Individual - closed book | 20% | 14 October |
| Assessment 2: End of semester test | 1, 3, 4 & 7 | Individual – open book | 50% | 18 November |
| Assessment 3: Group project | 1, 3, 4 & 7 | Project – 4 per group | 30% | 25 November |

This unit outline is subject to change up until 10 days prior to the commencement of the course. Any changes made to the unit within that 10 day period and after the course commences will be communicated to you directly by your Unit Controller and/or Lecturer via OASIS. This unit outline should be read in conjunction with the GSB Student Guidebook available on the GSB website.

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Introduction to the Unit

Welcome to Financial Management 550. This unit focuses on developing a strong foundation in accounting concepts and financial management for managers and professionals without formal business qualifications. It aims to increase knowledge and understanding regarding a company's financial position and offers practical solutions for interpreting the impact of financial and triple bottom line (TBL) issues on business decisions. With a strong practical component, this unit will enable students to develop the skills and vocabulary necessary for communicating effectively with finance and accounting managers. You will be better able to interpret financial statements to ascertain the financial position of an organisation regarding its liquidity, profitability and financial backing and performance.

Financial Management 550 is a pre-requisite for MBA students wishing to study Strategic Cost Management 660 and Corporate Finance 660.

Aims, Outcomes and Attributes

Learning outcomes within Financial Management 550 will contribute to the achievement of the overarching learning outcomes sought for graduates from the Graduate School of Business. For further details on the set of nine Graduate Attributes please refer to the GSB student guidebook available from www.gsb.curtin.edu.au. They are also listed in Appendix A of this document.

This unit seeks to deliver on three of the nine key attributes:

| Attributes | Learning Outcomes | Assessment |
|------------|--|------------------------|
| 1 | <ul style="list-style-type: none"> Develop an understanding of contemporary accounting concepts and Generally Accepted Accounting Principles (GAAP) impacting on financial analysis including triple bottom line (TBL) reporting. Apply financial accounting standards and principles to a practical business environment. Formulate rational decisions through the effective use of both financial and non-financial indicators. | Assessments 1, 2 and 3 |
| 3 | <ul style="list-style-type: none"> Access, evaluate and synthesise diverse financial and non-financial information for intelligent business application in analysing corporate financial reports. | Assessments 2 & 3 |
| 4 | <ul style="list-style-type: none"> Effectively communicate financial performance and sustainability reporting in a manner appropriate to business stakeholders and the desired financial outcomes. | Assessments 2 & 3 |
| 7 | <ul style="list-style-type: none"> Recognise and apply international perspectives and standards (e.g., International Financial Reporting Standards, GRI) within the business environment. | Assessments 2 & 3 |

Text Books

Bazley, M., Hancock, P. (2007), *Contemporary Accounting*, 6th Edition, Thomas Nelson, Australia. (referred to as B & H in this Plan).

Recommended Reading

- Deegan, C. (2005) *Australian Financial Accounting*, 4th Ed., McGraw-Hill, Chapter 33
“Corporate social-responsibility reporting” pp. 1097 – 1175. [E-reserve]
- Elkington, John (2002), *Cannibals with Forks: The Triple Bottom Line of the 21st Century Business*, Capstone, New Society Publishers, Chapter 4, pp. 69-95.
- Gray, R, and Bebbington (2001), *Accounting for the Environment*, 2nd Edition, London: Sage.
- Hoggett, J & Edwards, L. (2002), *Financial Accounting in Australia*, 5th Edition, Brisbane: John Wiley & Sons.
- Hoggett, J., Edwards, L & Medlin, J. F. (2006), *Financial Accounting*, 6th Edition, Milton, Queensland: John Wiley & Sons.
- Peacock, Rolffe (2003), *Financial Management*, 3rd Edition, Frenchs Forest, N.S.W.: Pearson Education.
- Petty, J. W. (2005), *Financial Management*, 4th Edition, French Forest, N.S.W.: Pearson Education.
- Schaltegger, S & Burritt, R (2000), *Contemporary Environmental Accounting Issues, Concepts and Practice*, Greenleaf Publishing, Sheffield, UK.
- Gibson, C. H. (2004), *Financial Reporting and Analysis*, 9th Edition, Mason, Ohio: Thomson.

e-Reserve Instructions

- Click on the **E-Reserve** link from the Library’s homepage <http://library.curtin.edu.au/>
- You now have the option to search by **Unit Name**, **Lecturer’s Name**, **Unit Number** or **Title**
- Search by **Lecturer** by entering **Anna Rowe**, or the **Unit Number** of **5699**
- A list of reserve material will be displayed. Hint: There may be a number of full text items listed. In this case, click on the link **Show E-Reserve records first (if any exist)** to bring the e-Reserve documents to the top of the list.

To access an electronic document click on the full text link of the article you are interested in. You will be asked to enter your Curtin ID (Student Number) and OASIS password. See http://library.curtin.edu.au/id_password.html if you require further information.

GSB Professional Portfolio

From Trimester 2 2008, all newly commencing MLM and MBA students are required to log at least 40 hours of professional development activity in their Portfolio. Although there are plans to develop an online log of activity, currently the Portfolio is a physical document with space to record relevant activities and collate and store supporting documentation. All newly enrolled students will be sent a Professional Portfolio in the mail. If the 40-hour requirement is not met, it may delay your graduation.

The GSB Professional Portfolio is a tool for extending and developing professional development opportunities for GSB students. It is a practical way to build on skills learned

through our coursework and also contributes to the GSB's strategy of encouraging life-long learning.

More information about the Professional Portfolio can be found here:

<http://www.cbs.curtin.edu.au/business/teaching-areas/graduate-school-of-business/current-students/gsb-professional-portfolio>

An information session is also scheduled for GSB Orientation (see below).

GSB Orientation

As part of the GSB's commitment to providing students with an optimal learning experience, we schedule an orientation program which typically takes place in the week prior to the official commencement of trimester. We recommend that all new students attend Orientation as information sessions on the following important topics are scheduled:

- Library and Study Skills
- OASIS training
- Administrative processes
- GSB Professional Portfolio

Students will also have the chance to meet academic and professional staff as well as representatives from the GSB Alumni, GSB Toastmasters Club, CIPSA (Chartered Institute of Purchasing and Supply Australia) and the GSB Postgraduate Careers Development Program. An opportunity to network with fellow students is also an invaluable part of the evening. Details on registering for the event may be found on our website.

Hours accrued at Orientation may count toward your GSB Professional Portfolio tally.

Assessment Overview

| METHOD OF ASSESSMENT | | | | |
|--|------------------|-----------------------------|-------|------------------|
| ASSESSMENT | OUTCOME ASSESSED | TYPE OF ASSESSMENT | MARKS | SUBMISSION DATES |
| Assessment 1: Mid-semester test | 1 | Individual - closed book | 20% | 14 October |
| Assessment 2: End of semester test | 1, 3, 4 & 7 | Individual – open book | 50% | 18 November |
| Assessment 3: Group project | 1, 3, 4 & 7 | Project – 4 per group | 30% | 25 November |

Assessment Details

To secure a pass in Financial Management 550, the aggregate number of marks gained for all forms of assessment and the **combined individual assessments** (tests) must be 50% or more. Failure to complete the course requirements without an acceptable reason being submitted in writing will mean that the student receives a fail grade.

Assessment 1: Mid-semester Test (20%)

The mid-trimester test will be conducted in Session 7 and comprises both multiple-choice and short-answer type questions. The use of a non-programmable calculator is permitted. But no other electronic or hard copies of course materials are allowed.

Assessment 2: End of Semester Test (50%)

The final test will be conducted in Session 12. Supplementary examinations are not granted for graduate units. The final test will consist of questions requiring both computational and written answers. It will be of two (2) hours duration, plus ten minutes reading time. Marks per question will be stated clearly as part of the examination instructions. The textbook and a calculator is permitted. No other electronic aids or hard copies or notes are allowed.

Assessment 3: Group Project (30%)

Word Limit: 3000 words (not including appendices)

To consolidate the learning in this unit, you will be required to undertake a financial review of a public company's financial position and performance. The group should comprise no more than five (5) students. The company selected for the group project financial review in Semester 2, 2008 will be announced in your first class. You will need to access and interpret publicly available information on the company from sources such as the firm's annual reports, the Australian Stock Exchange, The Australian Financial Review, online databases (e.g., ABI, Factiva, Reuters, Dow Jones), stock broker research reports, websites such as (<http://www.connect4.com.au> and [/http://www.comsec.com.au/CommSecHome.asp](http://www.comsec.com.au/CommSecHome.asp)), business publications and periodicals. Acquisition of the company's Annual Report for the year ending 30 June 2007 and other information is your responsibility. You are urged to collect the required information early, as this process will take some time. The analysis should include (as a minimum) commentary on the following:

- Overview of the company and its operations
- A description of the company's ownership and management
- Analysis of the company's profitability
- The profitability of the industry and geographic segments in which it operates (if more than one)
- Analysis of the company's financial stability
- Analysis of the company's liquidity
- Analysis of the company's cash flow
- Analysis of the company's Triple Bottom Line (if any)
- Contingent liabilities and capital commitments (if any)
- Summary of the company's financial position and prospects

The commentary must be supported with financial information, ratios and trend analysis that are clearly documented and explained. Comparative industry or competitor information will assist in your analysis. The majority of marks will be awarded for interpretation and analysis of the information, not for calculations or information that simply replicate those contained in the Annual Report. Where ratios are provided within the Annual Report there is no need to recalculate them. Evidence of research on publicly available information (e.g., Australian Stock Exchange, Australian Financial Review, BRW and stockbrokers) will support your financial review. Please use the Consolidated or Group Columns in the Annual Report, not those referring to the holding company only.

It is recommended that you thoroughly research the company before commencing to put your thoughts to paper.

It is also recommended that the written assignment should be presented in the following format:

1. Cover page.
2. Executive summary.
3. Table of contents.
4. Introduction.
5. Main body (discussion should be offered in suitably – headed format to support continuity of the topic).
6. Conclusion.
7. List of references and appendices.

Submission Guidelines for Assignments

- All assignments are to be submitted in hard copy unless prior arrangements have been made for electronic copies to be submitted. Assignments should be bound in such a way as to facilitate ease of marking – that is, no fixed spine binding.
- Please retain a copy of every assignment submitted for marking for your own records. This copy will be required in the event of an assignment being misplaced or unaccounted for. The onus is on the student to make available another copy of the assignment for marking.
- Please use the following specifications for your assignment layout (unless otherwise specified):
 - Font: Times Roman 12
 - Margins: at least 2.5 cm top/bottom/left/right
 - Please include a cover-sheet setting out:
 - your name
 - student number
 - unit title, and
 - the title of the assignment.
- Papers will not be marked beyond the page limit/word count.
- For assignments that you would like returned, please include a self-addressed A4 envelope.
- Your assignment should be thoroughly checked for typing, spelling and grammatical errors. You may consider having a colleague proof read your assignment before you submit it.
- Make sure you acknowledge all sources used to write your assignment – eg. journals, books, articles etc...
- Provide a list of references at the end of your assignment in the Chicago Style.
- Use a range of scholarly material...eg. Peer-reviewed articles from the scholarly databases, textbooks and material from the Internet. Material from the Internet often, however, does not have the same peer review mechanisms in place so you must be wary what you use as literature to support your reviews.

PLEASE NOTE:

In the preparation of individual written assignments students are encouraged to discuss and exchange information. However, the various papers will be treated as an individual exercise and plagiarism is to be avoided. Where there is evidence of plagiarism the student will be awarded a fail grade for the unit.

Acknowledge not only direct quotes but also the source of ideas, examples and materials

which are not a direct quote, but which have been paraphrased from another source. All tables and charts must be sourced. For the University's policy on plagiarism, please refer to the **Graduate School of Business Student Guidebook**. The GSB is committed to undertaking plagiarism audits on assessments submitted for its units.

Chicago Author-Date Referencing Style

It is a requirement of the Curtin Graduate School of Business that all assignments submitted for assessment must be referenced using the Chicago Author-Date Referencing Style. Details of Chicago referencing style can be found online at

<http://library.curtin.edu.au/referencing/chicago.pdf>

Assignments submitted without Chicago Referencing **will not be marked**. It is strongly suggested that students learn and use EndNote software to ensure compliance with the Chicago System. Copies of EndNote are free to all GSB students from here:

<http://startup.curtin.edu.au/software/endnote.cfm> and some Curtin EndNote style downloads and training are available here: <http://library.curtin.edu.au/referencing/endnote.html>

Submission & Return of Assignments

Please ensure you use the unit outline specifics to check that you have addressed all of the criteria before handing in your assignment.

Students may expect the marks (and feedback, where appropriate by the end of fifteen (15) working days after submission (unless otherwise negotiated between the lecturer and students). **Assignments are not available** for collection from Administration staff.

For an explanation of your grade, please see **Appendix B: Grading System** which explains the marking system used at the GSB.

Late Submission of Assignments

Assignments are expected to be submitted before or on due dates. Only in *critical* circumstances (acute sickness of self or close family – verified by medical certificate), may students negotiate for an extension of time. Please note that heavy employment-related workloads or deadlines will not warrant the granting of an extension. Only one extension will normally be given within this Unit. Reason/s for request for extension must be submitted in writing (postal or email) A MINIMUM OF FOUR (4) DAYS BEFORE THE DUE DATE OF THE ASSIGNMENT. Please note that an extension will not be given for reason of pressure of workload.

In the case of assignments being submitted after the due date, without permission for extension by the lecturer, the assignments will be graded:

- 20% lower if submitted 1 - 7 days late;
- 40% lower if submitted 8 - 14 days late;
- after 14 days, the assignment will **not** be accepted for marking.

GSB Student Guidebook 2008

Please refer to this publication online for essential information regarding the following:

- GSB Graduate Attributes and Learning Outcomes
- Assessment and Results which includes information on the GSB Grading System, Assessment Guidelines and the Appeals Process.
- The Student Feedback system and Student Representatives (see below).
- Referencing and Malpractice
- Plagiarism
- Ethics
- Emergency Procedures.

Please make sure you obtain a copy of this publication which is found on the **GSB Student Guidebook** available from the **GSB homepage** under **Quick Links**.

Student Representative

A student representative must be elected by the class by the end of the second week of the unit (or second day in the case of an intensive). The student representative is responsible for collecting feedback from the other students and forwarding this to the lecturer and/or unit controller. The student representative also represents the class at the Student - Staff Committee meetings. Once a student representative is elected, the name and contact details should be directed to the Student Academic Advisor. For full details on the student representative role refer to the **GSB Student Guidebook** available from the **GSB homepage** under **Quick Links**.

Student Rights and Responsibilities

It is the responsibility of every student to be aware of all relevant legislation and policies and procedures relating to their rights and responsibilities as a student. These include:

- the Student Charter
- the University's Guiding Ethical Principles
- the University's policy and statements on plagiarism and academic integrity
- copyright principles and responsibilities
- the University's policies on appropriate use of software and computer facilities

Information on all these things is available through the University's "Student Rights and Responsibilities" web page at: <http://students.curtin.edu.au/rights/>

GSB Student Feedback via e-Valuate

Curtin University has introduced a confidential unit specific student feedback system called e-Valuate. This system provides the unit coordinator, lecturer and Head of School with important information about student's learning experiences and the achievement of learning outcomes during their enrolment in this unit. You are strongly encouraged to log onto e-Valuate at the end of this unit and provide your valuable feedback. Further information on how and when to do this will be posted during the trimester.

The Curtin Business School values student feedback as one of the many ways to continuously inform improvement to this unit. Recent improvements have included:

1. Reduction in assessment load
2. Clearer delineation of accountable reading requirements for unit
3. Supplementation of electronic resources for students

Recent student feedback on this Unit is available at

<https://evaluate.curtin.edu.au/login.cfm> Once you have logged in click the reports tab at the top and search for the unit summary report (USR) for your unit.

Appendix A: Graduate Attributes

The GSB offers a range of Award Programs in which the students will:

| |
|---|
| 1. Have a thorough foundation of contemporary business theories, concepts and principles and be able to apply these in a group or organisational environment. |
| 2. Create and critically evaluate innovative ideas and strategies within ambiguous and uncertain business environments. |
| 3. Access, evaluate and synthesis diverse information for intelligent business application. |
| 4. Effectively communicate in a manner appropriate to their audience and their desired outcomes. |
| 5. Select and use appropriate technologies and recognise their advantages and limitations. |
| 6. Utilise life-long learning strategies. |
| 7. Recognise and apply international perspectives within the business environment. |
| 8. Appropriately manage and value diversity within a business setting. |
| 9. Apply professional skills – team work, leadership and ethical behaviour. |

Appendix B: Grading System

The grading in this unit will be consistent with the grading scheme below.

| % Grade | Criteria |
|----------------|--|
| 90+ | Shows a passion for the topic. Student has built on a solid base of deep knowledge and delivered original thought or provided original application of a presented model. Has displayed sound and defensible judgement. |
| 80-89 | Student has integrated/synthesised a complex body of knowledge. Is able to bring ideas together succinctly. Has displayed sound grounded opinion. |
| 75-79 | Critical evaluation or deeper understanding displayed identifies key issues on top of B below; adds value to data or basic research. |
| 70-74 | Intelligent organisation and expansion of concepts, ideas; illustrates through application; sought other reading if appropriate. |
| 65-69 | Covers key issues, on top of C below, in a superior way. |
| 60-64 | Descriptive, can summarise, organise ideas and present a basic conclusion, internally logical. Presents basic concepts can take a concept and break it into its parts. Provides a basic answer to the question. |
| 50-59 | Undertaken acceptable amount of work, sticks to the question but disjointed, ideas not linked or not well linked to the foundation of knowledge. Some errors, but not enough to flaw the answer/ argument. |
| <50 | Superficial work, insufficient research. Some limited research but has not pulled it together. Doesn't answer the question, errors which flaw the answer, argument; displays significant gaps in foundation knowledge. |

Moderation is the process by which fair assessment is assured when there are: multiple markers; one marker assesses a large number of papers; the unit is taught at different campuses; or the assessment is largely subjective. Unit controllers are responsible for ensuring that comparability of assessment is achieved. For further information and/or explanation refer to the Teaching & Learning at Curtin 2008 teaching handbook, Section 5.4, page 41 (<http://lsn.curtin.edu.au/publications/tlbook08.pdf>)

Unit Planner and Study Guide

| Week | Class Date | Module Topic | Readings/Chapters | Assessment Dates |
|------|------------|--|---|--|
| 1 | Wed 27 Aug | Orientation at the GSB from 4:00pm | Unit Outline | See Unit Outline and GSB website for details |
| 2 | 2 Sept | The Australian Accounting Environment | B & H Chapter 1, 2, 11 (pp. 323-334 only) and 13 (pp. 388-402 only) | |
| 3 | 9 Sept | Accounting Fundamentals | Chapters 6, 11 (pp. 313-323 only). | |
| | | Review Questions & Activities | B & H Chapter 1 RQ 1, 2, 4 and Problem 1 | |
| | | | Chapter 11 RQ 4 and 5 | |
| 4 | 16 Sept | Statement of Financial Position | B & H Chapters 2, 3, 4 & 12 (pp. 350-368 only). | |
| | | Review Questions & Activities | Chapter 6 RQ 4 & 5 and Problem 3. | |
| 5 | 23 Sept | The Valuation & Control of Assets | Chapters 4 & 9 Chapter 8, (pp. 217-228 only). Chapter 10, (pp. 288-291 only) | |
| | | Review Questions & Activities | B & H Chapter 3 Problem 6 and Ethics Case | |
| 6 | 30 Sept | Profit Reporting – Accounting for Revenue | Chapter 5, (pp. 124-132 only) | |
| | | Review Questions and Activities | B & H Chapter 4 RQ 1, 2 & 3, Problems 1 (a & b) and 10. Chapter 10, RQ 6. Chapter 9, RQ 1 - 5. | |
| 7 | 7 Oct | Profit Reporting – Accounting for Expenses | Chapter 5 (pp. 132-145 only) Chapter 7 | |
| | | Review Questions and Activities | B & H Chapter 5 Problem 1(a, b, & c) & 10 (Jimmy) | |

| Week | Class Date | Module Topic | Readings/Chapters | Assessment Dates |
|-------------|-------------------|--|---|--|
| 8 | 14 Oct | The Statement of Cash Flows | Chapter 12, (pp. 347 – 364 only) | MID-SEMESTER QUIZ (Covers Weeks 1 – 6) |
| | | Review Questions and Activities | B & H Chapter 7 Problem 10 (rubber balls) | |
| 9 | 21 Oct | The Interpretation of Financial Reports - Profitability Analysis | B & H Chapter 14 | |
| | | Review Questions & Activities | B & H Chapter 12 Problem 7. Problem 18 (Bee Pee Company). | |
| 10 | 28 Oct | The Interpretation of Financial Reports - Financial Stability Analysis | Chapter 14 | |
| | | Review Questions & Activities | B & H Chapter 14 Problem 9 [Romeo] | |
| 11 | 4 Nov | Environmental Accounting, Environmental Reporting & Triple Bottom Line Reporting | Deegan, C. (2005), Chapter 33 11 & 12 (Available at library eReserve) | |
| | | Review Questions & Activities | B & H Chapter 14 Problem 12 [Apple Ltd] | |
| 12 | 11 Nov | Review Questions & Activities | Deegan Chapter 33 Review Questions 2, 3, 11, 12, 15, 16, 19 & 23. Challenging Question 28 & 30 | |
| 13 | 18 Nov | In-Class Test | | Assessment 2 in class |
| 14 | 25 Nov | Unit evaluation survey and review of unit | | e-Valuate opens on 24 Nov and closes on 7 Dec Assessment 3 due |