

Financial Accounting & Reporting (1) 2010

Module outline

COMMONWEALTH OF AUSTRALIA

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Contents

<u>The Chartered Accountants Program</u>	3
About the Chartered Accountants Program	3
Objectives of the CA Program	4
Learning & Assessment Guide	4
Financial Accounting & Reporting	4
Module objective	5
Assumed knowledge	5
Time allocation	6
Assessment	6
Candidate Learning Pack (CLP)	6
<i>myCA</i>	6
Focus sessions	7
Prescribed reading materials	7
Additional resources	7

The Chartered Accountants Program

About the Chartered Accountants Program

The Chartered Accountants Program (the CA Program) is the formal educational requirement for membership of the Institute of Chartered Accountants in Australia (the Institute). The Institute is the only Australian professional accounting body recognised by the major accounting bodies worldwide, and is a founding member of the international accounting coalition, the Global Accounting Alliance (GAA).

The GAA represents more than 750,000 members worldwide and includes professional accounting organisations from the United States, Canada, Hong Kong, England/Wales, Japan, Germany, Ireland, Scotland, New Zealand and South Africa. The Institute is the only Australian accounting body within the Alliance that provides reciprocal arrangements with 10 of the other leading accounting bodies in the world.

The CA Program is also recognised as a Graduate Diploma* by higher education authorities in Australia. Successful completion of the Program and the subsequent awarding of a Graduate Diploma provide candidates with substantial exemptions for Masters programs in many Australian universities.

The Grad Dip CA comprises the following five modules:

1. Taxation (TAX)
2. Audit & Assurance (AAA)
3. Management Accounting & Analysis (MAA)
4. Financial Accounting & Reporting (FIN)
5. Ethics & Business Application (EBA).

Of the five modules, the first four are technical modules and can be undertaken in any order. The final module, Ethics & Business Application (EBA), focusses on ethics and corporate governance as well as consolidating the learning from the four technical modules. Modules are not undertaken concurrently.

Figure 1: Five Program Modules



On successful completion of EBA, candidates will be awarded the Grad Dip CA and will then also be eligible to apply for membership with the Institute.

* Applicable only to candidates who successfully complete all five modules of the CA Program developed by the Institute.

Objectives of the CA Program

The CA Program is designed to equip candidates with the knowledge, skills and values identified as essential in a Chartered Accountant. These have been expanded into the following 10 attributes:

Knowledge	> informed about the latest international, disciplinary and business knowledge
Skills	> innovative problem solvers
	> forward-thinking change managers
	> technology-literate
	> collaborative team workers
	> capable communicators of shared understandings
Values	> service-oriented
	> ethical
	> professional
	> reflective about their own knowledge, skills and values

Developing these attributes in a holistic manner is an integral feature of the Program.

Learning & Assessment Guide

Additional information about the Program can be found in the Chartered Accountants Program Learning & Assessment Guide (LAG) in the candidate section of *myCA*.

The LAG contains comprehensive information about:

- > Policies and regulations
- > Regional offices and key contacts
- > Learning resources
- > Assessment
- > Referencing
- > Further assistance and support.

Candidates can access *myCA* via <charteredaccountants.com.au> or, alternatively, <myCA.blackboard.com>.

Financial Accounting & Reporting

This module aims to develop candidates' understanding of the framework for financial accounting, and enables them to identify and apply Accounting Standards and pronouncements. Broadly, the four units examine the following areas:

- > Unit 1: Reporting framework and accounting for assets
 - Basic Standards
 - Accounting for income taxes
 - Assets, leases and provisions
 - Impairment of assets

- > Unit 2: Consolidated financial reporting
 - Accounting for business combinations
 - Accounting for subsidiaries
 - Accounting for associates
 - Accounting for joint ventures
 - Accounting for investments
 - Accounting for movements in investments
 - Preparing consolidated financial statements
- > Unit 3: Applied issues in financial accounting and reporting
 - Revenue
 - Employee benefits
 - Share-based payments
 - Related party disclosures
 - Foreign exchange transactions, balances and translation
 - Earnings per share (EPS)
- > Unit 4: Financial instruments
 - Defining financial instruments
 - Presentation and disclosure
 - Classifying financial instruments
 - Recognising and measuring financial instruments – balance sheet
 - Measuring financial instruments – income statement (non-hedge transactions)
 - Special advanced topic: Hedge transactions
 - Advanced topic: Embedded derivatives
 - Advanced topic: Financial guarantees
 - Advanced topic: Derecognising financial instruments
 - Interaction of Accounting Standards.

Module objective

The overall objective of FIN is for candidates to apply financial accounting to various practical scenarios and be able to analyse and quantify the financial consequences. Detailed learning outcomes are outlined at the start of each unit.

Assumed knowledge

In the FIN module, it is assumed that candidates already have a good understanding of the financial accounting and reporting process as a result of their undergraduate studies.

Time allocation

The expected workload for this module is approximately 120 hours. The breakdown of the 120 hours is approximately as follows:

	Number	Hours per unit	Hours of work
Candidate Learning Pack (CLP) reading, activities, <i>myCA</i> participation	4 units	23.00	92.00
Focus sessions	4	3.00	12.25*
Project	1	n/a	12.50
Exam (including 15 minutes reading time)	1	n/a	3.25
			120.00

* The first focus session has an additional 15 minutes for the welcome and introductions.

This is only a guide, depending on various factors and circumstances, and does not include time that candidates allocate to studying for the final exam.

Assessment

To pass the module, candidates must:

- > attend all four focus sessions
- > pass the exam and
- > pass the module overall.

The assessment components are outlined below:

Assessment component	Contribution to final marks	Details
Project	20%	An individual Project submitted between Focus session 2 and Focus session 3.
Focus sessions	Course requirement	Each focus session will involve a review of learning concepts and activities in the CLP and exam practice questions. No marks are awarded.
Final examination	80%	Any element of the syllabus may be covered in four compulsory multi-part written questions (three (3) hours plus 15 minutes reading time).

Further information on Assessment is available in the LAG on *myCA*.

Candidate Learning Pack (CLP)

The CLP is the primary learning resource and contains comprehensive learning material for all four units of study, including worked examples and activities. Candidates can work through the CLP either independently or in collaboration with their colleagues or mentors.

myCA

This is a web-based learning portal which is used to provide announcements and study material to candidates, as well as access to a candidate peer discussion forum.

Focus sessions

Focus sessions provide candidates with an opportunity to consolidate their learning by meeting and working with their peers in focus groups regularly throughout the module. The sessions are run by experienced CAs who facilitate candidate participation in team activities and exam practice questions.

Prescribed reading materials

The required references for FIN are:

- > The Institute of Chartered Accountants in Australia, *Financial reporting handbook 2010*, John Wiley & Sons Ltd, Milton, Qld
- > *Accounting & auditing news today* (ANT), available online at <charteredac-counts.com.au>
- > *Corporations Act 2001* – Chapter 2M and related definitions
- > Australian Accounting Standards Board <www.aasb.com.au>
 - AASB accounting exposure drafts
 - AASB accounting bulletins
 - AASB Amending Pronouncements and Errata
- > Australian Securities and Investments Commission <www.asic.gov.au>
- > Financial Reporting Council <www.frc.gov.au>
- > International Accounting Standards Board www.iasb.org.

Additional resources

Other resources you may find useful for this module are:

- > Deegan, C 2007, *Australian financial accounting*, 5th edn, McGraw-Hill, North Ryde, NSW
- > Picker, R et al 2009, *Australian accounting standards*, John Wiley & Sons, Milton, Qld

Note: It is best practice to access the latest publication.