# Unit Outline

**PRINCIPLES OF FINANCIAL ACCOUNTING**

<table>
<thead>
<tr>
<th><strong>Unit Number:</strong></th>
<th>AC101</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mode of Study:</strong></td>
<td>Internal</td>
</tr>
<tr>
<td><strong>Credit:</strong></td>
<td>3 credit points</td>
</tr>
<tr>
<td><strong>Pre-requisites:</strong></td>
<td>Academic Writing</td>
</tr>
</tbody>
</table>
| **Location:** | Sheridan College  
18/7 Aberdeen St, Piccadilly Square West, Perth WA 6000 |
| **Student Workload:** | 168 hours (12 hours per week over 14 weeks)  
Seminars – 36 hours (3 hours per week over 12 teaching weeks)  
*Private Study* – 132 hours (9 hours per week over 12 teaching weeks + 12 hours per week over 2 non-teaching weeks) |
| **Primary Text(s):** | Horngren, C., W.Harrison, S.Oliver, P.Best, D.Fraser & R.Tan.  
| **Learning Management System:** | Canvas (canvas.sheridan.edu.au) |
| **Unit Coordinator:** | Dr Tshepiso Makara  
Phone: 9221-8170  
Email: tmakara@sheridan.edu.au |
| **Course Coordinator** | Mr Matthew Bambach  
Phone: 9221-8170  
Email: mbambach@sheridan.edu.au |
Introduction
Welcome to Principles of Financial Accounting, AC101. This unit will introduce you to basic concepts of accounting and their application in decision making. Visionary, innovative business ideas can fail if the mechanics of the accounting process are not properly understood by the business or social enterprise founder. Principles of Financial Accounting will benefit all students who pursue a degree in business and particularly those who intend to go into business for themselves.

After completing the unit, you should understand the basic accounting process and the accounting terminology/language and be able to apply these in decision making. You will be able to record, analyse and interpret the accounting transactions for your own small business or social enterprise, and understand how these apply to businesses on a larger scale.

Topics covered include: introduction to accounting; explaining and applying the accounting cycle; application to retail businesses; using accounting information systems; internal control; accounting for current and non-current assets and liabilities; the cash flow statement; and tools for analysing financial statements.

Diploma of Business Learning Outcomes
The Sheridan College Diploma of Business has been accredited by the Tertiary Education Quality and Standards Agency (TEQSA) as meeting the standards set by the Australian Qualifications Framework (AQF).

Diplomas qualify individuals who apply integrated technical and theoretical concepts in a broad range of contexts to undertake advanced skilled or paraprofessional work, and provide a pathway for further learning.

Upon successful completion of your study you (the student) will be able to:

- Demonstrate your theoretical and technical knowledge of specialised learning areas within the field of business.
- Exercise your cognitive skills successfully to identify, analyse and synthesise information from a range of sources.
- Plan, propose and evaluate potential solutions to unpredictable problems relating to specialised learning areas within the field of business.
- Communicate your understanding of knowledge and skills relating to specialised learning areas within the field of business to others in various contexts.
- Apply learned technical and creative tools from one or more specialised learning areas within the field of business to interpret and resolve unpredictable problems in a range of scenarios.
- Demonstrate your capacity to seek knowledge and truth with persistence, independence, rigour, and integrity.
- Evaluate the relevance of Christian faith and practice to the pursuit of knowledge in the field of business.
- Model self-discipline, ethical decision-making, servant leadership and respect for the dignity of individuals and groups in various settings.

Each unit you take in the Diploma of Business program will contribute towards the fulfilment of these broader learning outcomes.
Principles of Financial Accounting Learning Outcomes
On successful completion of this unit, you will be able to:

A. Describe the elements of Accounting (ie debits, credits, assets, liabilities, equity, revenue and expenses), and their application to routine commercial transactions.
B. Apply the Accounting Cycle to prepare accounting records and uncomplicated financial statements, particularly in relation to the service and retail industries.
C. Explain the importance of implementing internal controls in businesses.
D. Demonstrate the various methods of calculating depreciation.
E. Evaluate information contained in prepared financial statements (using techniques including ratio analysis).

Graduate Attributes
Study does more than equip you with knowledge in a specific academic field. It can also have a transformational effect on your own nature.

Moreland and Craig write:

"Study itself is a spiritual discipline, and the very act of study can change the self. One who undergoes the discipline of study lives through certain types of experiences where certain skills are developed through habitual study: framing an issue, solving problems, learning how to weigh evidence and eliminate irrelevant factors, cultivating the ability to see important distinctions instead of blurring them, and so on. The disciplines of study also aids in the development of certain virtues and values; for example, a desire for the truth, honesty with data, an openness to criticism, self-reflection and an ability to get along nondefensively with those who differ with one."


The higher education sector in Australia describes these kinds of outcomes as “Graduate Attributes” (GAs). GAs don't necessarily follow in a direct line from learning outcomes (LOs) but are shaped by the learning process itself. Sheridan College’s GAs, displayed in the table on the next page, are integrated into the College’s assessments and cultivated in all the College’s learning activities. They describe the kind of personal characteristics we hope you will exhibit when you graduate. If in future your referees use these kinds of descriptors when writing about you, we will consider this a sign of a successful higher education.
<table>
<thead>
<tr>
<th>COLLEGE VISION STATEMENT</th>
<th>COLLEGE GRADUATE ATTRIBUTES</th>
<th>METHODS OF EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>To offer higher education to those who are seeking to live an extraordinary life. To this end, the College will inspire its students to...</td>
<td>Sheridan College graduates will be...</td>
<td>See unit assessment schedule for alignment with specific assessments.</td>
</tr>
</tbody>
</table>

### ... love truth...

1. **Lovers of truth who:**
   - a. Pursue knowledge, understanding and insight with persistence, independence, rigour, critical thinking and academic integrity.
   - b. Attain a comprehensive understanding of the body of knowledge and professional skills within a specialised learning area or discipline.
   - c. Identify and analyse the pre-theoretical assumptions that underpin the relevant theoretical frameworks and perspectives within a specialised learning area or discipline.

### ... seek wisdom...

2. **Seekers of wisdom who:**
   - a. Recognise the limits of their knowledge and understanding, receiving and evaluating correction or advice with grace and humility.
   - b. Exercise sound, fair and ethical judgment in study and workplace learning environments.
   - c. Carefully consider their life’s purpose and make the most of opportunities as they emerge.

### ... embrace innovation...

3. **Innovative thinkers who:**
   - a. Identify research gaps and make original contributions that extend the body of knowledge, both independently and in collaboration with others.
   - b. Synthesise, analyse and interpret information drawn from diverse sources using diverse mechanisms.
   - c. Adapt effectively to changing circumstances, take appropriate risks, and solve problems in new situations.

### ... and become instruments of peace in the world.

4. **Effective communicators who:**
   - a. Demonstrate the ability to communicate clearly and effectively to a range of audiences and across a range of mediums/technologies.
   - b. Build classmates and colleagues up according to their needs and for their benefit. Avoid slanderous speech.
   - c. Promote respect, hospitality and understanding towards cultures and groups.

5. **Independent learners who:**
   - a. Perform tasks to the best of their own abilities and strive for a high academic standard.
   - b. Set reasonable goals, determine personal boundaries and drive set tasks to completion.
   - c. Take responsibility for their own learning and research.

6. **Servant leaders who:**
   - a. Model respectful and ethical behaviour in team environments.
   - b. Serve the local, national and global community.
   - c. Understand and support Australian democratic traditions, including pluralism, freedom of speech, freedom of association, and equality of opportunity.
Course Structure

Academic Calendar
Diplomas are 1-year programs at Sheridan College. Units are delivered in 15-week trimesters. Each trimester comprises 12 weeks of teaching, two non-teaching study weeks, and an examination week.

Trimesters 1 and 3 are dedicated coursework trimesters. If you are enrolled full-time, you will take 3-4 core or elective units during this trimester.

Trimester 2 is a dedicated research trimester. Whether you are enrolled full-time or part-time, your only formal study during Trimester 2 will be a single research-related unit relevant to your field of study. The schedule provides a focused opportunity to acquire valuable research skills, and to practise applying those skills under the direction of the College faculty.

The Trimester 2 schedule also offers you some freedom to pursue personal, professional and learning goals outside of your formal coursework. The College provides a range of informal extra-curricular programs during this trimester for you to gain life experience and enhance your employability. A description of these programs can be found on the College website at http://sheridan.edu.au/index.php/home/academic-calendar.

The table below gives you an idea of your academic program for the next year.

<table>
<thead>
<tr>
<th>SAMPLE DIPBUS PROGRAM</th>
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<tbody>
<tr>
<td><strong>PRE-TRIMESTER</strong></td>
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<tr>
<td>YEAR 1 (24 credit points)</td>
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<tr>
<td></td>
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<tr>
<td></td>
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<tr>
<td>TOTAL (24 credit points)</td>
</tr>
</tbody>
</table>

Seminars
You will meet with the instructors for one 3-hour session each week. Please arrive with a willingness to learn, reflect and contribute to class discussions. It is essential that you prepare thoroughly for each class by reading the assigned chapters and/or journal articles.

Private Study Expectations
You should expect to spend an additional nine (9) hours per week of private study, immersing yourself in the course material and completing the assessment requirements. Reading and preparation for each course week should be done prior to or during the early part of each course week. Students may choose to begin reading over the weekend prior to each course week, keeping a notebook of insights and questions to contribute during the week’s discussion.

Consultation
At Sheridan College, instructors make themselves available during office hours for individual consultations for a minimum of 25% of the total time spent teaching the unit. For this unit, the instructor will nominate an additional one (1) hour either before or after class to be available for
individual student queries. The specific times will be set after discussions with the class on the first day.

**IT Resources**
The internet is an extraordinary resource for students and using it effectively contributes to the nurturing of the College’s graduate attributes in each student. We encourage you to bring your electronic devices (college-supplied or personal tablets, mobile phones, laptops) into the class as a learning resource. As a courtesy to your classmates, please keep these learning devices on “silent” and do not take phone calls during class hours.

Wireless internet access will be available for all students at the Piccadilly Square West campus, if you wish to meet there in study groups or for private study. You can also access printers, scanners and photocopiers at the office.

**Location**
The unit will be taught at Unit 18, 7 Aberdeen Street, Perth WA 6000  
Time: TBA  
Room: TBA

**Learning Resources**

**Prescribed Reading(s)**

**Supplementary Reading(s)**
You may find some of the texts listed below useful for additional explanation and for assistance in writing essays. Copies of these texts have been placed in the Reserve Section of the Sheridan College Library.


You can also find relevant journal articles in the following databases:

- **Business Source Premier**  

- **Academic Search Complete**
College Library Resources
In 2017, Sheridan College students will have direct access to four (4) major academic database collection providers, granting Sheridan College students direct onsite (IP) and remote access to:

1. **Academic OneFile** from Cengage Gale (now active)
2. **Oxford University Press Arts and Humanities Collection** (now active)
3. **EBSCO collections** (to be activated from 1 February 2017), including:
   - Business Source Premier
   - Academic Search Premier
   - Humanities International Complete
   - Science and Technology Collection
4. **Informit collections** (to be activated from 1 February 2017), including:
   - Business Collection
   - HSS Collection

Cunningham Library
Sheridan College is an institutional member of the Australian Council of Educational Research’s Cunningham Library.

Cunningham Library is a unique, comprehensive collection of Australian educational research material dating from the early 1900s to the present day. The vast resources of Cunningham Library offer the researcher a complete and up to date collection of educational research documents in Australia, including:

- books with over 50,000 titles, both Australian and overseas publications
- journals with over 400 titles, both Australian and overseas publications
- e-journals
- government reports & conference proceedings
- bibliographic database of educational theses
- audio, video & CD-ROM material
- educational and psychological tests
- databases, directories and research discovery tools
- web documents & e-books


Aberdeen Street Campus Reserve Collection
A growing physical reserve library of books will be maintained at the Aberdeen St campus for resources specifically chosen by lecturers for individual units. These resources will be nominated by the lecturers and purchased if there are no online options available.

Public Libraries
You will have signed up with the **State Library of WA (SLWA)** and the **National Library of Australia (NLA)** when you enrolled at Sheridan College. It takes about one week from the date of enrolment for your subscription to SLWA to become active.
The e-resources of SLWA and NLA are available online for library members (free to members of the public with an Australian residential address), including thousands of peer-reviewed journals across the full range of academic disciplines. For business these include:

- Business Advisors Guide
- EBL (EBook Library)
- EconLit
- Informit Business Collection
- Academic Search Premier
- Business Source Premier
- EBSCO
- Emerald Journals
- GIBLIN: Giblin Working Papers
- IBIS World
- MasterFile Premier
- MEDGE: Management and Environment Information
- Regional Business Books

Other Free Resources
Access to free full-text journals can also be found through the following sites, among many others:

- VOCEplus (www.voced.edu.au/journalbrowse)
- Stanford University’s Highwire site (http://highwire.stanford.edu/lists/freeart.dtl)
- Directory of Open Access Journals (http://www.doaj.org/)
- Open Directory Project (http://www.dmoz.org/Reference/Education/Journals

Community Memberships
If those are insufficient for research purposes, community memberships are also available at Perth higher education institutions. Research students wishing to join the libraries of Perth’s universities will be fully reimbursed by Sheridan College for their membership costs.

Community memberships are available at the following university and other higher education libraries:

- Curtin University: ($70.40) https://library.curtin.edu.au/borrowing/non-curtin-borrowers/community-borrowers.cfm
- Murdoch University: ($99) http://library.murdoch.edu.au/Our-services/Community-members/
- University of Notre Dame ($40) http://library.nd.edu.au/content.php?pid=50125&sid=642804
- UWA http://www.is.uwa.edu.au/about/visitors-friends/visitors#community

Please note: For some universities, community members may only be able to access online resources while logging in from a terminal within the university library itself.

Learning Support
Any student who feels they may need special provisions for any type of disability should see an instructor during regular office hours or contact the Registrar, Mrs Christa Smith, who will help you make any necessary accommodations for academic support.
Assessment Schedule

<table>
<thead>
<tr>
<th>Assessment Type</th>
<th>Value</th>
<th>Due Date</th>
<th>LOs Assessed</th>
<th>GAs Addressed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignments (x3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Assignment #1</td>
<td>15%</td>
<td>End of week 4</td>
<td>A,B,E</td>
<td>1,2,3,4,5,6</td>
</tr>
<tr>
<td>- Assignment #2</td>
<td>15%</td>
<td>End of week 7</td>
<td>B,C,E</td>
<td></td>
</tr>
<tr>
<td>- Assignment #3</td>
<td>15%</td>
<td>End of week 10</td>
<td>B,D,E</td>
<td></td>
</tr>
<tr>
<td>Exam</td>
<td>55%</td>
<td>Week 13</td>
<td>A,B,C,D,E</td>
<td>1,2,3,4,5,6</td>
</tr>
</tbody>
</table>

Explanation of Assessments

Sheridan College assessments are designed both to measure your successful demonstration of the full range of learning outcomes in the unit, and to cultivate the Sheridan College graduate attributes.

You must submit all assessments in order to satisfy the unit requirements.

1. Assignments (x3)

Students will complete three assignments during the unit. Each of the assignments will comprise an accounting problem, which involves testing each student’s ability to practice their accounting knowledge, as well as some theoretical questions.

The assignments will cover the following topics:

- Assignment #1 – Adjusting and Closing Entries
- Assignment #2 – Retailing Operations; Internal Controls
- Assignment #3 – Assets and Liabilities

Each assignment will be worth 15%, and together comprise 45% of your total mark for the unit.

2. Final Examination

The final examination for this unit will take place in week 13 and will cover all material in the unit. Duration of the examination is 3 hours. You may bring in your textbook and a calculator into the examination.

The examination will comprise three parts:

1. A series of short answer questions, covering financial accounting concepts (15 marks)
2. A set of financial accounting exercises, covering all the material you will have practiced in class and at home over the course of the unit. (40 marks)

The examination constitutes 55% of your total mark for the unit.
Guidelines for Written Assignments

These general guidelines will assist you in preparing and writing your assignments. Your instructor will discuss these in greater detail before you commence your assignment. If you have any questions please ask your instructor to assist you. Do not ask other students, as they may not give you the correct information.

Presentation

- The assignment must be typed on A4 paper with 1.5 or 2-line spacing and a 3cm margin at the top, bottom and right hand side to allow for marker's comments. Headings should be used to identify the main points in your discussion and may be underlined.

- Your assignment should be grammatically correct and well punctuated. A high standard of written English is expected and your assignments should be clear, concise, neatly presented and easy to read. Failure to comply with these requirements may result in a significant loss of marks.

Academic Integrity

- Your assignment must be your own original piece of work and not that of another student or previously submitted work for another subject. Please be aware that there are serious penalties for handing in assignments that have been copied from another source (plagiarism). Your lecturer will discuss this with you during your class. Please note also that Sheridan College deploys plagiarism-detection mechanisms. The Sheridan College Academic Integrity Policy is found at http://sheridan.edu.au/index.php/home/policy-library.

- You are expected to acknowledge the source of your ideas and expressions used in your written work. Students at Sheridan College are required to use the APA Referencing style. A guide to using the APA referencing style is posted on Canvas.

Submission

- Your assignment should be submitted to your instructor by the date specified. If you require an extension of time, it is your responsibility to contact your lecturer before the due date, and provide documentation from a medical practitioner, or the student counsellor as to why you cannot adhere to the stated due date.

- Any assignment submitted after the due date without the instructor’s permission will be subject to a deduction of 10% of the original mark for each working day (including weekends) for which it is late. Assignments submitted more than one week late will only be accepted with a current medical certificate, which must be dated on the day of the illness.

- You must keep a copy of the completed assignment when you submit the original document for marking.

- If you are in doubt about any of these requirements, you should discuss them with your instructor who will clarify any misunderstanding.

- All assignments must be submitted to assignments@sheridan.edu.au.

Assessment Moderation

- Your major assessment may also be marked by an external examiner, in addition to your instructor. This is common practice in higher education and is designed to ensure that your marks are equivalent to students being assessed at other higher education institutions.
<table>
<thead>
<tr>
<th>WEEK NO.</th>
<th>TOPICS COVERED</th>
<th>READINGS</th>
<th>ASSESSMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Financial Accounting</td>
<td>Horngren et al. ch.1-2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recording Business Transactions</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>The Adjusting Process</td>
<td>Horngren et al. ch.3</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Completing the Accounting Cycle</td>
<td>Horngren et al. ch.4</td>
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<tr>
<td>4</td>
<td>Retailing Operations</td>
<td>Horngren et al. ch.5-6</td>
<td>Assignment #1</td>
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<tr>
<td></td>
<td>Retailing Inventory</td>
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<td></td>
<td><strong>In-Trimester Study Week</strong></td>
<td></td>
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<tr>
<td>5</td>
<td>Internal Control and Cash</td>
<td>Horngren et al. ch.8</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Receivables</td>
<td>Horngren et al. ch.9</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Non-current assets: Property, plant and equipment, and intangibles</td>
<td>Horngren et al. ch.10</td>
<td>Assignment #2</td>
</tr>
<tr>
<td>8</td>
<td>Current liability and payroll</td>
<td>Horngren et al. ch.11</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Non-current liabilities, debenture payable and classification of liability on the balance sheet</td>
<td>Horngren et al. ch.12</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Statement of Cash Flows</td>
<td>Horngren et al. ch.16</td>
<td>Assignment #3</td>
</tr>
<tr>
<td>11</td>
<td>Financial Statements Analysis</td>
<td>Horngren et al. ch.18</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Review</td>
<td></td>
<td></td>
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<tr>
<td>13</td>
<td>Examination</td>
<td></td>
<td>Final Examination</td>
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<td></td>
<td><strong>Pre-Exam Study Week</strong></td>
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