This unit of study will specifically focus on the financial statements (or financial reports) that are formal record of the financial activities of a business, person, or other entity. For a business enterprise, all the relevant financial information, presented in a structured manner and in a form easy to understand, are called the financial statements. They typically include the following four basic financial statements which are accompanied by a management discussion and analysis:

- Statement of financial position: also referred to as a balance sheet, reports on a company's assets, liabilities, and ownership equity at a given point in time.
- Statement of comprehensive income: also referred to as a profit and loss statement (or a "P&L"), reports on a company's income, expenses, and profits over a period of time. A profit and loss statement provides information on the operation of the enterprise. These include sales and the various expenses incurred during the processing state.
- Statement of changes in equity: explains the changes of the company's equity throughout the reporting period.
- Statement of cash flows: reports on a company's cash flow activities, particularly its operating, investing and financing activities.
alternatives to issues or problems.

In this assessment students are required to write a 2500-word essay on an issue related to one of the following topics:

- Whether or not recognition of intangible assets should be permitted. Students should refer to contemporary practice and research. What is the worldview?
- The relevance of the cash flow statement. Is it redundant?
- A current controversy in financial accounting. Students might consult recent rulings from the ATO as a way of identifying an appropriate topic.

The precise wording of the essay topic should be discussed and agreed with the unit coordinator by the end of week three.

<table>
<thead>
<tr>
<th>Final examination</th>
<th>The examination is conducted in week following the final week of lectures.</th>
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Examinations assess students’ understanding and comprehension of theoretical and practical knowledge presented throughout the unit. The unit’s final examination will be a three-hour closed book exam and will include a series of multiple choice questions, short answer problem solving exercises, and practical exercises to demonstrate technical proficiency.

<table>
<thead>
<tr>
<th>PRINTED MATERIALS</th>
<th>Extensive lectures notes, case study material and other information will be provided on-line as part of this course.</th>
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<tr>
<th>WEB SITES</th>
<th>No single Web site presents all the necessary knowledge that students need to learn and apply. However, opposite are some useful sites to visit.</th>
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<table>
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<tr>
<th>PRESCRIBED FOR THE COURSE</th>
<th>SELECTED REFERENCES</th>
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**Prescribed text**


**Online useful sources of references are:**

- Chartered Accountants
  www.charteredaccountants.com.au
- CPA Australia
  www.cpaaustralia.com.au
- Institute of Public Accountants (NIA)