

# GROUP ASSIGNMENT DOCUMENT

## Financial Accounting 1/ BACC105–Semester 2, 2017

Total Marks: 100

**Weighting: 25% of final grade**

### **PURPOSE**

The purpose of this assignment is to provide hands-on experience to Accounting 1/ BACC105 students on financial analysis using real-life data. It gives students the opportunity to demonstrate, through an extended exercise, their ability to apply their accounting knowledge and analytical skills to a real-world setting. It also provides an opportunity to develop students' interpersonal skills in a work environment.

### **GROUPS**

1. Students are required to work as a **group. Each group must have 2-3 students.**
2. Each group will be required to hand in **one** report and prepare one in-class presentation.
3. It is the responsibility of students to organize themselves into groups of 2-3 students and ensure that contact details of each student in the group have been given to all group members.
4. **Assignments submitted individually without the lecturer's prior written permission will be heavily penalised.**

### **IMPORTANT INFORMATION ABOUT THE ASSIGNMENT**

The group assignment must be word processed and presented in an appropriate report format. The report's technical content, format, clarity of exposition, language usage and overall presentation quality will be assessed. For example, marks will be deducted for poorly presented assignments and for grammatical/spelling errors.

**The assignment must be submitted by 11.55 pm on 2.10.2017.** A late submission will attract a penalty at the rate of 5% per day or part of a day.

Each assignment should comprise one copy of the group's written report, Accounting 1/ BACC105 group **Assignment Cover Sheet**.

1. The report should be printed on A4-size paper with double spacing and the **length of the text** (excluding appendix, references (if any) and coversheet and declaration page) **must not exceed 1200 words (for Part A and B together).**

Your report should contain the following sections, in the order given:

1. Assignment cover sheet and Team Contribution Declaration
  - I. Part A (Analytical Summary of the Corporate Collapse Study)
  - II. Part B
2. Title page
3. Table of contents
4. Introduction
5. The body:
  - 5.1. financial analysis of the entities' profitability
  - 5.2. financial analysis of the entities' liquidity
  - 5.3. financial analysis of the entities' efficiency and solvency
  - 5.4. financial analysis of the entities' attractiveness as an investment
6. Conclusions
7. Recommendations
8. List of references
9. Appendices

A short 3-5 minute presentation and poster shall be prepared based on **Part B** and delivered prior to the students' conference on the submission day.

2. Each assignment must include a copy of the declaration. Each summary must be signed by all members of the group to acquire a mark for the assignment. Students who fail to sign the declaration will receive a zero mark for the assignment.
3. All assignments must be submitted as a hardcopy with an assignment cover sheet attached or as an electronic file with an electronic cover sheet (please refer to your subject coordinator for actual requirements). The assignment cover sheets are available on your subject's Moodle site or from the Course Administrator. Submit hardcopy assignments and cover sheets directly to the Course Administrator in PE332. Upon submission, you will be issued with a receipt. For group assignments, all group members must submit individual assignment cover sheets with the group assignment. Under no circumstances must you submit your assignment via email or to your teacher unless otherwise instructed. **Assignments received by fax or email will NOT be accepted.**
4. Prior to submission of your assignment you will be required to check for authenticity and originality using the "Turnitin" facility – please go to <https://student.nmit.vic.edu.au/highered/Pages/TurnItIn.aspx> for further information or speak to your teacher.

5. Assignments submitted without clear indication of student names and numbers will not be assessed.
6. Each group member will receive their marks according to the **agreed percentage of their contribution** (as determined by the team).
7. Any dishonest assignments will be dealt with according to MP rules and regulations. Dishonest assignment practices include deliberate copying or attempting to copy the work of other students, submitting the work of another as your own, and plagiarism.
8. Failure to follow instructions of this assignment will attract appropriate penalties.

**ASSIGNMENT QUESTIONS**

Answer both Part A and Part B as outlined below.

**Part A (20 marks)**

Use the ‘ABC Learning’ and ‘One Tel’ documentaries<sup>1</sup> to identify:

- issues that led to the corporations collapse
- financial statement (s) and/or other sources of information that contain any earlier signs of the businesses’ failure
- financial ratios that can be used to detect early signs of these issues

Summarise your findings in the table attached, recording the first issues that both companies had in common followed by the issues unique for each company. Use a ‘bullet point’ format and record one issue per line.

Analytical Summary of the Corporate Collapse Study

ABC Learning		One Tel		Ratios
Issue	Sources of information	Issue	Sources of information	

In 3-5 lines, provide your recommendations on how to avoid these bankruptcies.

**Part B (Financial Statement Analysis) (80 marks)**

Assume that you are a financial adviser and a client has approached you seeking your advice as to whether they should place their money (e.g. \$10,000) in to a long-term bank

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<sup>1</sup> The video links are below:  
<https://www.youtube.com/watch?v=plzRWztR66Y>  
<https://www.youtube.com/watch?v=WIntSk0DrMY>  
<https://www.youtube.com/watch?v=qOGTPf12gbo>  
<https://www.youtube.com/watch?v=jU0WYWmxjcY>  
[https://www.youtube.com/watch?v=bvmKHst\\_m-o](https://www.youtube.com/watch?v=bvmKHst_m-o)  
[https://www.youtube.com/watch?v=oA\\_78SF0\\_bs](https://www.youtube.com/watch?v=oA_78SF0_bs)  
<https://www.youtube.com/watch?v=YYF6JW9vJKo>  
<https://www.youtube.com/watch?v=DllrFV1p78Y>  
<https://www.youtube.com/watch?v=sMZExHXNIJQ>  
<https://www.youtube.com/watch?v=B8PoK2S16w0>  
<https://www.youtube.com/watch?v=dvmnX4asuzs>  
<https://www.youtube.com/watch?v=a4rcGpRXD9I>

deposit or invest it in one of the selected companies. Discuss potential risks and returns related to the above options using:

1. Relevant data provided by a bank of your choice.
2. The 2016 and 2017 annual reports of two listed companies of your choice (ref to: <http://www.asx.com.au/asx/research/listedCompanies.do>). Conduct a financial analysis of both listed companies. You should evaluate these entities' profitability, liquidity, financial stability and attractiveness as an investment. Appropriate ratios (rounded to four decimal places) should be calculated to enable a complete assessment of the companies (use Excel tables!!!). The report should contain a discussion and analysis of the ratios calculated. The workings and calculations for all the ratios must be included in the report and should be presented in an appendix. You may use additional resources for answering this part. These resources must be referenced in your report.

**All questions relate to the financial figures of the consolidated entities.** Please note, you are neither required to, nor expected to, print out the entire annual reports. These are lengthy documents!

Part of the purpose of this task is for you to enhance your teamwork skills. These skills will become invaluable to you not only within MP, but also in your professional career. You are encouraged to spend time at the beginning of the task negotiating participation expectations, deadlines and meeting times. Your team is therefore required to complete the **Team Contribution Declaration**<sup>2</sup> at the completion of the task, and submit it with your assignment.

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<sup>2</sup> The Assignment Coversheet, AND this Declaration must be completed and attached with submitted assignments. **A false Declaration will be grounds for all students in the group to be given zero marks.**

# Team Contribution Declaration

## Financial Accounting 1/ BACC105

Due Date: 2.10.2017 by 11.55 pm

We, the undersigned, hereby declare that the attached group assignment has been completed in accordance with the instructions contained in the Group Assignment Document. Further, we jointly and severally certify that each member of the group has consistently and actively participated in the deliberations of the group work and has contributed equally to the completion of the assignment. Please use each student's name as per their enrolment:

TEAM DECLARATION- (maximum of 3 students in each team)				
LAST NAME	First Name	Student number	Agreed % of Contribution	Signature of each team-member

A false declaration will be grounds for all students in the group to be given zero marks.

## MARKING CRITERIA

### 1. Part A: 20 marks

- Your answer will be assessed for logic, arguments and evidence
- Marks will be awarded anywhere from zero to 20

### 2. Part B: 80 marks (60 marks for report and 20 marks presentation and poster)

- For the body of the report, your work will be assessed for correct interpretation of the ratios, logic and analysis, insight and correct recommendation

Introduction	5mks
Financial analysis of the entities' profitability	3×2.5=7.5mks
Financial analysis of the entities' liquidity	3×2.5=7.5mks
Financial analysis of the entities' efficiency and solvency	2×2.5=5mks
Financial analysis of the entities' attractiveness as an investment	4×2.5=10mks
Conclusions	8mks
Recommendations	5mks
List of references	3mks
Appendices	9mks
<b>Total</b>	<b>60 mks</b>

#### Attention should be paid to:

- SPELLING, GRAMMAR AND STRUCTURE;
- PROFESSIONAL PRESENTATION INCLUDING TABLES AND FIGURES WHERE APPROPRIATE;
- USE OF OTHER RESOURCES, APPROPRIATE REFERENCING AND PROVISION OF BIBLIOGRAPHY.

**Marks will be deducted for incorrect calculations and failing to comply with any instruction for this assignment.**