



Assessment Information

Subject Code:	BUS103
Subject Name:	Accounting for Managers
Assessment Title:	Team assignment
Weighting:	30% (Assessable value)
Total Marks:	60 marks
Due Date:	Before 3.55 pm on Monday 29 May 2017, Week 11. Note: Adelaide and Brisbane students please allow for the time difference.

Assessment Description

Required:

This assignment is to be completed in teams/groups of three students. It consists of four (4) questions, all of which must be attempted. Under no circumstances, a group cannot have four students.

The assignment must be submitted before the above due date to avoid any late penalties. Please make sure you follow the usual assignment presentation guidelines especially those relating to presentation of written work, late policy and academic integrity.

Forming Teams: You must discuss the selection of teams with your lecturer, who may decide to allocate you into teams or he/she may decide to form teams using a random process. Any work which has been copied or shared between teams will result in a Fail grade for all students concerned. So please make sure that the answer to this team assignment is your own work and not copied from any source.

Please note that a word limit exists for all questions. You must indicate your word count at the end of each question. Submissions that exceed the word count by more than 10% will cease to be marked from the point at which that limit is exceeded.

Submission:

The assignment will need to be submitted electronically through the student portal – use the link under “Assessments” to submit the information and include the team cover sheet. Please note to follow the instructions on the teamwork cover sheet when submitting your team’s assignment.

QUESTION 1: 15 marks (Word limit: 750 words)

Big Business Tobacco (BBT) is a large Australian producer of tobacco products including a market-leader brand of cigarettes. With the continuing development of Asian countries such as China and its move to a market-based economy, the company has made the decision to sell its cigarettes in this large market from the beginning of next month. The cigarettes will be sold in packs of 40.

Mary Bender, the marketing manager, is discussing the design of the cigarette packet for the Asian market with Randall Hedges, the company's public relations manager. Having agreed on the basic design of the pack, Hedges raised the issue of whether to include the normal health warning on the pack, which has to be displayed under Australian law. He emphasised recent medical findings which predicted many hundreds of thousands of deaths from cigarette smoking in the next few years, particularly in the developing countries.

Mary Bender was strongly opposed to including a 'health hazard' warning on the packs destined for parts of the Asian market. She explained: 'In this business, it is the bottom line (i.e. profits) which matters — we have to think of our shareholders. BBT stands to lose a considerable market share to competitors if it includes such a warning. Besides, it is not a legal requirement in many Asian countries to display a health warning on cigarette packs. If Asian law is subsequently amended, then we will be one of the first to comply. Besides, the managing director supports me on this one.'

Hedges expressed a final opinion: 'The company could be better off in the long term by being seen to be acting with corporate responsibility, and demonstrating some concern for its consumers. Besides, such warnings have not been detrimental to the company's performance in Australia, where health warnings have been common for many years.'

Required:

- A. Who are the major stakeholders in the debate on the health warnings on cigarette packs?
- B. What are the main ethical issues involved in the debate?
- C. If you were Randall Hedges, what would you do?

QUESTION 2: 10 marks

Financial accounting statements tend to reflect past events. In view of this, how can they help a user make a decision when decisions, by their very nature, can only be made about future actions? Give an example to justify/support your answer.

(Word limit: 500 words)

QUESTION 3 (10 + 5 = 15 marks)

- A. As a new management accountant, reply to this comment by a plant manager: 'No "bean counter" knows enough about my responsibilities to be of any use to me. As I see it, our accountants may be needed to keep records for shareholders and the Australian Tax Office, but I don't want them sticking their noses in my day-to-day operations.'
(Word limit: 500 words)
- B. 'Knowledge of technical issues such as computer technology is a necessary but not a sufficient condition to becoming a successful management accountant.' Do you agree? Explain your answer.
(Word limit: 250 words)

Question 4 (20 marks)

The following information is available for James Bond Ltd for years 2010 to 2015.

	2010	2011	2012	2013	2014	2015
Cash	\$ 5,200	(3)	\$ 5,800	\$4,200	\$1,700	\$3,000
Accounts receivable	1,600	100	(5)	4,200	7,600	2,200
Inventory	2,800	7,300	8,400	9,900	(11)	8,700
Prepayments	300	2,000	8,500	(8)	8,100	2,600
Total current assets	\$9,900	(4)	(6)	(9)	(12)	\$16,500
Accounts payable	\$1,800	\$8,500	\$5,800	\$4,700	\$8,900	(14)
Accrued liabilities	2,000	2,000	3,400	5,700	1,600	4,000
Wages payable	1,500	5,200	2,200	5,600	9,100	7,900
Total current liabilities	\$5,300	\$15,700	\$11,400	\$16,000	\$19,600	(15)
Current ratio	(1)	1.07	(7)	1.76	1.09	(16)
Quick ratio	(2)	0.48	1.31	(10)	(13)	0.26

Required

- A. Find all the missing amounts/ratios. Provide all workings. (16 marks)
- B. Write a short memo (max 2050 words) analysis the two ratios identified above summarising the reasons why these ratios have changed and whether the management of James Bond Ltd should be concerned about any possible adverse consequences. (4 marks)

Team Work Cover Sheet

Team Number: ADE/BRI/MEL/SYD:

Team Name:

Student Number	Student Name	Signature	Indicate the Team Leader

Instructions:

By the end of week 5

Team Number: In creating your team numbers please note to include the location and then your team number; for example, ADE01Team or BRI01Team or MEL01Team...MEL02Team etc., or SYD01Team. Please note to liaise with the lecturer on your campus to get unique team numbers.

Please finalise your team members and your team number with your lecturer by the end of week 5 at the latest. Inform them in class or by email.

Upon submission of the assignment

If you are not the team leader, then you are required to upload this cover sheet **only**, duly completed to include all the names and student IDs of the team members. Individual members **should not** upload copies of the assignment.

If you are the team leader, you must upload the assignment including this cover sheet. This assignment will then be marked by the lecturer. The marks awarded will be the same for each member of the team for the “teamwork” section of the assignment.

Please note that this cover sheet must match the with the team members you previously informed your lecturer of and must be the same for all team members.