

Griffith University
2102AFE Financial Accounting
Business Report to Client
Trimester 1, 2017

Joe Doyle has recently received a substantial inheritance on the death of his mother. Joe wants to use this money to his advantage and invest it for his future because he would like to retire early. He is considering buying some shares in Woolworths Ltd because he thinks it would be a stable investment that would provide a good income stream in future years. Joe has been doing his own research on this company, however, he has some accounting-related issues he would like addressed before he makes the decision to go ahead with this investment.

As you work for a chartered accounting firm specialising in small client consultancy, Joe has come to you for advice. The specific accounting-related issues raised by Joe are outlined below:

1. Joe is interested in Woolworths Ltd's asset base because he knows that assets are important in the event of a company winding up due to bankruptcy or insolvency.
 - a. In relation to Property, Plant, and Equipment, Joe has become aware that there are two ways to value these assets subsequent to their initial recognition, including the cost model and the revaluation model. He has noticed that Woolworths Ltd uses the Cost model. **Compare and contrast** these two measurement methods for Joe and **provide a professional opinion** of which measurement method provides **more reliable** information about Property, Plant, and Equipment values. Your professional opinion **must be supported by valid arguments** from sources that are reliable, reputable, and relevant.
 - b. Joe has been following the yearly evaluation of the Woolworths Ltd brand published by Business Insider (provided on L@G). He has noticed that the value of the Woolworths' brand reported in this article is significantly higher than the value of brand names reported in the Woolworths Ltd annual report. **Outline** for Joe why these two brand values are different. **Identify and explain** the reasons why the accounting requirements for internally generated intangible assets are very stringent. **Identify and explain** to Joe an example of a real-world company where intangible assets led to problems with the valuation of the company.

Requirement 1

Prepare a 1,100 word Business Report for Joe whereby you fully address each of the issues he has raised, as outlined above, and **advise** Joe whether he is able to rely on the information about assets disclosed in Woolworths Ltd's annual report. Explain why.

Within this process you must ensure that you **explain all relevant accounting terms** because Joe's knowledge of them is very limited. He must be able to understand your Business Report. **Refer to the accounting standards** where appropriate so that Joe knows the authority on the information.

Requirement 2

Prepare a written reflection addressing the following:

- Who in an accounting firm would provide the level of advice asked for above, to a client? Explain your answer (**300 words maximum**).
- In considering your own career path, identify your own strengths and weaknesses entering in to a graduate accounting job (**300 words maximum**).

Purpose of Assessment

The purpose of this assessment item is to determine your ability to use written communication skills in an accounting context and reflect on the roles in the accounting profession.

Formatting Checklist

YOU MUST FOLLOW THESE

- Business Report is due **Monday 24th April 2017 at 12noon**.
- Business Report is written in **third person**. For example, you should not write with regards to "I", "we", "my". Refer to the L@G resources for a full explanation on this point.
- Business Report is written in simple language and in an easy-to-read format.
- Maximum word length of 1,100 words for the Business Report (+/- 10%).**
 - Include your word count at the end of your Business Report.
 - Excludes any appendices and reference list.
 - **Note that the markers must stop marking your Business Report once the word limit has been reached.**
- Maximum word length of 600 words for the written Reflection (+/- 10%).**
 - Include your word count at the end of your Reflection.
- Prepared in **1.5-line spacing**
- Using **Times New Roman 12-point font**
- Margins must be 2cm** on all sides
- References:**
 - Cite **at least eight (8)** current sources, which should include items from the following categories: accounting regulations, academic literature, media, and websites. Since the firm wants to maintain its high reputation by providing credible advice, it is vital that the sources you use are **reliable, reputable, and relevant**.
- The above instructions must be followed carefully and completely. **Failure to adhere to any requirement may result in a penalty of up to 10% of the available marks.**
- Late submission will be penalised according to the Griffith Late Submission policy.

Submission Checklist

YOU MUST FOLLOW THESE

- In L@G under the heading Assessment/Assignment – Business Report (20%), you are **required to complete each item:**
 - Step 1: Submit Draft Business Report Here (SafeAssign)**
 - You are required to submit your draft Business Report here in order to ensure the originality of your assignment.
 - You can submit your draft Business Report here multiple times in order to check for originality prior to submitting your final version.
 - Step 2: Assignment Cover Sheet Test – Business Report**
 - You **MUST** complete this section. It is your **academic integrity declaration** that your Business Report is your own individual work.
 - Step 3: SafeAssign – Submit Final Business Report Here (SafeAssign)**
 - You **MUST** submit your final Business Report here. Assignments provided via any other method will not be marked. Library or Email submission will not be accepted without prior approval.
- The above instructions must be followed carefully and completely. **Failure to adhere to any requirement may result in a penalty of up to 10% of the available marks.**
- Late submission will be penalised according to the Griffith Late Submission policy.
- If you are unsure how to use submission points for SafeAssign, please come and see me or the Library staff for a demonstration.

Additional Resources (not exhaustive)

Learning Resources – Have you looked at these resources?

- L@G/Assessment/Help from the library with Critical Thinking and Business Report
 - We strongly recommend that you have a look at these **before** completing your assignment.
- L@G/Student Support
- L@G/GBS Resources
- L@G/Discussion Board
 - Questions related to the Business Report will **ONLY** be answered on the Discussion Board.
- 2102AFE Business Report Rubric**
 - Provides you with guidance **relating to the marking of the Business Report**. This rubric should be consulted when completing your Business Report.
- Griffith University Library Guides - <http://libraryguides.griffith.edu.au/c.php?g=28707&p=177081>

Content Resources:

Where to start?

➤ Academic Literature:

- Academic journals accessed through the Griffith library catalogue. You can start your search on Google Scholar for these articles. If the full text is not available through Google Scholar, you can use the library catalogue to access it as Griffith has subscriptions to most Accounting journals. Some journals you may find useful are *Australian Accounting Review* and *Abacus* (available online through Griffith Library - <http://libraryguides.griffith.edu.au/c.php?g=28707&p=177083>)

➤ Media:

- Financial media, e.g. Business Review Weekly, The Financial Review (available online through Griffith library databases).

➤ Websites:

- Publications of professional accounting bodies: *In the Black* (CPA Australia); *Charter* (CAANZ) (available online through Griffith Library – see above link)
- Accounting standard setters and other regulators, especially AASB, IASB, IFRS.
- Australian professional accounting bodies: CPA Australia, Chartered Accountants Australia and New Zealand (CAANZ), Institute of Public Accountants (IPA).
- International accounting firms, e.g. Deloitte, Ernst & Young, KPMG, PwC.