

# Welcome to ACCG1000 Accounting in Society

## WEEK 1: INTRODUCTION TO ACCOUNTING





# Unit schedule

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## Topics 1-2

- Introduction to Accounting
- Ethics

## Topics 3-9

- Financial Accounting

## Topics 10-11

- Management Accounting

## Topics 12-13

- Sustainability
- Final Revision

# Introduction to Accounting



## Topic 1 Overview



-  Accounting, Accountability and Society
-  Users of Financial Information
-  Branches of Accounting
-  Careers in Accounting
-  Forms of Business Organisations

# What is Accounting?

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Accounting is  
Everywhere!!!



# Accounting and Society

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- Accounting is the core mechanism that drives society and its economic activities over time.
- It is fundamentally a social practise which guides and influences the behaviour of people in organisations and society thereby impacting our lives as well as organisational and social functioning and development.

# What is Accounting in the Business World?



- How to make your business grow?
- Where do you get money to finance the expansion?



- Success in business requires countless decisions



- Decisions require financial and other types of information

## What is Accounting in the Business World?...

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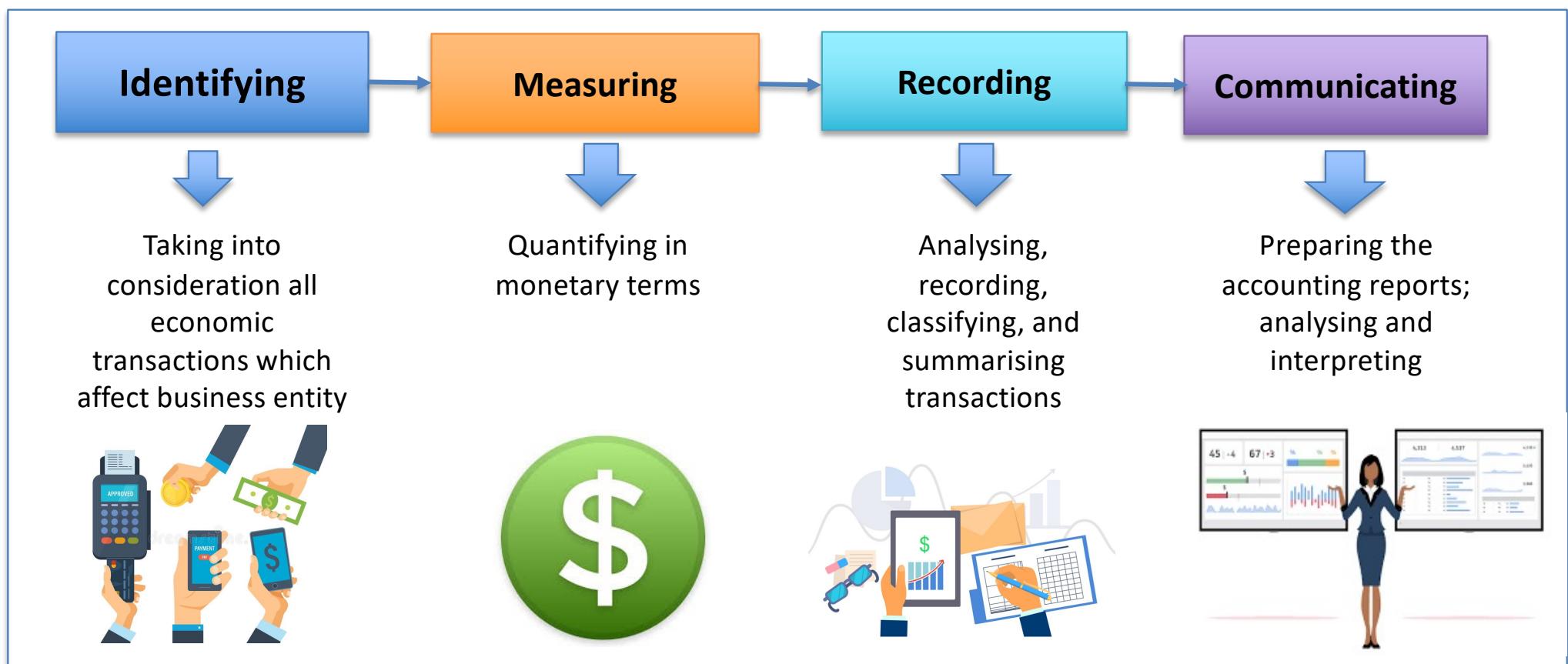
### Accounting

- Plays a key role in the provision of financial information for decision-making.
- Is a “process of **identifying, measuring, recording and communicating** economic transactions and events of a business operation”

(Carlon et al. 2016:5-6)



# Accounting is a Process



# Accounting and its Stakeholders



**Shareholders**



**Bankers**



**Employees**



**Suppliers/  
creditors**

# Accounting and its Stakeholders...



Society

Customers/  
individuals

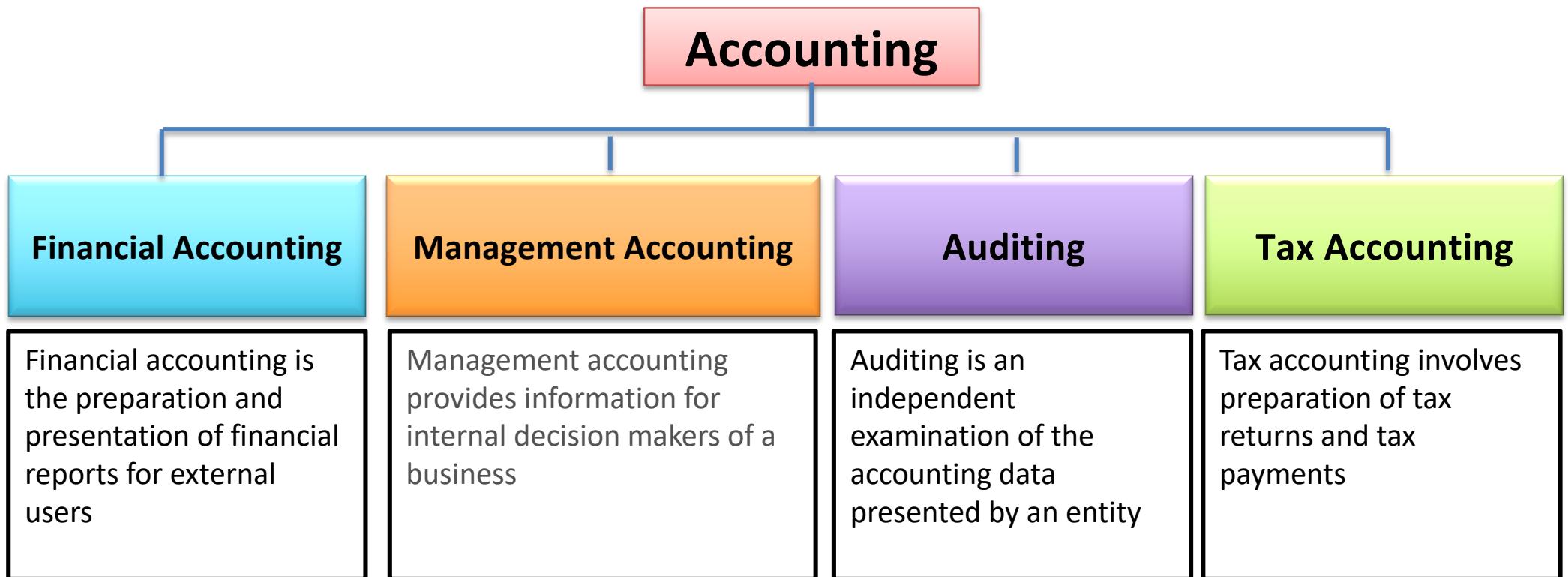


Government

Environment



# Branches of Accounting



# Financial Accounting Vs Management Accounting

FINANCIAL ACCOUNTING	MANAGEMENT ACCOUNTING
<ul style="list-style-type: none"><li>• <u>External</u> Focus</li><li>• Reporting Information<ul style="list-style-type: none"><li>- Performance</li><li>- Position</li></ul></li><li>• Financing and Investing</li><li>• Legal compliance</li><li>• Highly Regulated</li></ul>	<ul style="list-style-type: none"><li>• <u>Internal</u> Focus<ul style="list-style-type: none"><li>- Planning</li><li>- Controlling</li><li>- Decision-making</li></ul></li><li>• Cost Behaviour/Break-even</li><li>• Not regulated</li></ul>



# Your Role as an Accountant

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## 20<sup>th</sup> Century Accounting

- Budgeting
- Calculations
- Comparisons
- Preparing financials
- Confined to a cubicle



## 21<sup>st</sup> Century Accounting

- Technical competency  
(financials, audit, regulation etc.)
  
- ...BUT ALSO
- Technology
- Professional skills/judgement
- Communication
- Teamwork
- Governance and ethics
- Accountability
- Sustainability
- Leadership

# Where do Accountants Work?

Consultancy



Tax  
Audit  
Advisory  
Strategy

**EY**  
Building a better  
working world

Corporates – large and small



Budgeting  
Forecasting  
Compliance  
Risk management  
Business processes & systems

# Forms of Business Organisations



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University

## SOLE PROPRIORSHIP, PARTNERSHIP & COMPANY

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### Sole Proprietorship (sole trader)

- ✓ Owned by one person (eg: dentists)
- ✓ Easy to establish
- ✓ No separate legal existence
- ✓ Unlimited liability



# Forms of Business Organisations

SOLE PROPRIORSHIP, PARTNERSHIP & COMPANY

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## □ Partnership

- ✓ Owned by two or more individuals (eg: accountants, solicitors)
- ✓ Easy to establish
- ✓ Shared control
- ✓ Unlimited liability



# Forms of Business Organisations

SOLE PROPRIORSHIP, PARTNERSHIP & COMPANY

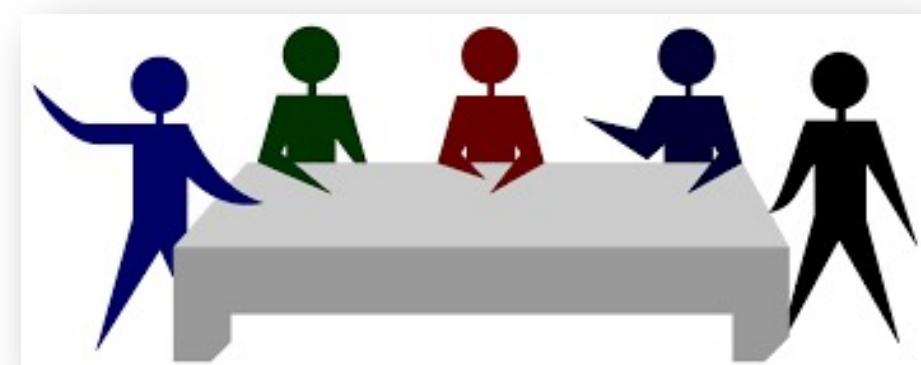
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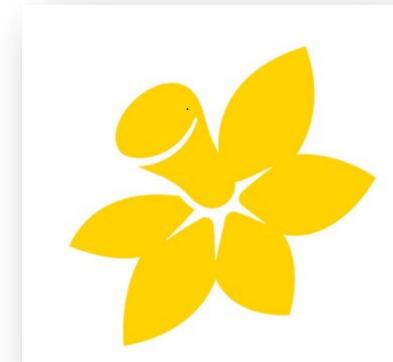
## □ Company

- ✓ Organised as a separate legal entity and owned by shareholders  
(eg: BHP, Qantas)
- ✓ Easy to transfer ownership
- ✓ Limited liability



# Difference?

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# Coming up in Topic 2

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## Topic 2 Lecture:

- Ethics – this topic is related to your case study assignment!

## Tutorials:

- Make sure you attend your registered tutorial (Online).
- Participate, remain active and engage during tutorials.



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# See you for Topic 2 – Wednesday 1 December

