
BUS1AFB
Individual Assignment
15 marks total

General information and requirements

This is an individual assignment due for submission on **Sunday 22nd November at 11.59pm**, 2020.

Assignment Length

Each question provides a guide as to the approximate word length of each answer. It is recommended you are close to these limits, but you do not need to achieve them exactly.

Please ensure your overall assignment is +/- 10% of the total word limit. Assignments that vary significantly from these guidelines will be marked down.

Submission

All submissions must be typed in a minimum 11 font, with 1.5 line spacing using word and **submitted via the Turnitin link on LMS as a pdf file**. Please refer to the online marking rubric for marking guidance.

Referencing

All submissions will be reviewed by a program called “Turnitin” and this will identify instances of plagiarism (copying). This is a very serious offence and can result in you receiving no marks for the assessment task. Refer to the subject learning guide for additional details regarding plagiarism.

Please ensure if you have copied information you use quotation marks and appropriate referencing.

If you reword someone else’s work you still need to refer to the author(s) in your sentence. For example, Ashman (2020) discusses how..... – whilst this is not a quote you need to reference the idea. The library provides specific guidance for referencing.

This assignment requires you to analyse real events. If you copy financial reports from the internet it will be obvious and no marks will be awarded, even if correctly referenced. The purpose of the assignment is to develop your analytical skills which are not those of an investment advisor. A small amount of referenced information will be acceptable, the focus is to be on your interpretation.

Assignment Presentation

Refer to the “Assignment Presentation Guide” available under the “Assignment” tab for guidance.

Graduate Capabilities

This subject assesses the following graduate capabilities:

Writing	4 marks
Critical thinking	4 marks
Creative Problem-solving	4 marks
Ethical behaviour	3 marks

Late Assignment Penalty

“The standard penalty for late submission of assessment tasks is 5% of the marks for that task for each delay in submission of a day or partial day up to a maximum of five (5) working days after the due date.”

Presentation

Assignments must be presented in accordance with the “Assignment Presentation Guide” available under the “Assignment” tab.

(3 marks)

Question 1

(4 marks)

Review the article “*What is the Volkswagen 'Dieselgate' emissions scandal?*” by Nick Baker, SBS News, 5th March 2018: <https://www.sbs.com.au/news/what-is-the-volkswagen-dieselgate-emissions-scandal> and any other relevant research, to answer the following:

- a) What is the meaning of the “triple bottom line” (100 words). (1 mark)
- b) Describe the actions of Volkswagen’s management from a triple bottom line perspective. Include a reflection as to whether Volkswagen’s ethical considerations have been applied in accordance with the triple bottom line concept, and why you think Volkswagen’s management chose to make the decisions they made (250 words). (3 marks)

Students please note there is a copy of the article under assignment box 1.

Question 2

(2 marks)

- a) Explain the purpose and use of the Statement of profit or loss, Statement of changes in equity, Statement of financial position (also known as the Balance Sheet) and of the Statement of cash flows. Explain why the Statement of cash flows differs from the Statement of profit or loss (125 words). (1 mark)
- b) Your cousin Carolyn has decided to start a new hairdressing business in Brisbane. She is unsure as to whether to operate on her own or with her best friend who is also a hairdresser. Briefly describe the 2 most probable business structures and list 1 key advantage and 1 key disadvantage of each structure (do not repeat these advantages or disadvantages) (125 words). (1 mark)

Question 3

(3 marks)

Stephen’s Delivery Services is a business that commenced operations in early 2019. The owner, Stephen, is a friend of your family. Stephen was asked by his bank to provide financial statements for his business for the last financial year, as part of an October loan application. As Stephen has no experience in accounting, he watched some “how to prepare financial statements” videos he discovered online and then prepared the financial statements on the next page:

Stephen's Delivery Service		
Income Statement		
As at 30 June 2020		
Revenues		
Service revenue		365,000
Revenue received in advance		23,500
Owners' Equity		35,000
		423,500
Expenses		
Accumulated depreciation-delivery vehicle		(85,000)
Depreciation expense-delivery vehicle		67,000
Fuel expense		72,000
Insurance expense		19,000
Interest expense		14,500
Long-term bank loan		10,000
Salaries expense		178,000
Profit		148,000

Stephen's Delivery Service		
Statement of Financial Position		
For the year ending 30 June 2020		
Assets		
Current Assets		
Cash		20,000
Delivery Vehicles		225,000
Accounts payable		35,000
Total assets		260,000
Liabilities		
Current liabilities		
Accounts receivable		25,000
Delivery supplies		41,000
Interest payable		11,000
Salaries payable		22,000
Total liabilities		33,000
Total Assets less Total Liabilities		227,000
Equity		
Retained earnings		89,500
Total Equity		262,000

After learning that you are currently studying accounting at La Trobe University, Stephen has asked you to list any errors he has made in these financial statements and then briefly explain to him the correct treatment (200 words). (3 marks)

Question 4**(3 marks)**

The following shows the Consolidated Statement of Cash Flows for Flight Centre Travel Group for the year ended 30 June 2019:

STATEMENT OF CASH FLOWS			
		YEAR ENDED 30 JUNE	
	NOTES	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers ¹		3,127,961	2,884,573
Payments to suppliers and employees ¹		(2,757,114)	(2,480,898)
Royalties received		412	694
Interest received		23,739	21,210
Interest paid		(25,439)	(25,832)
Income taxes paid		(90,676)	(85,410)
Net cash inflow from operating activities	B1	278,883	314,337
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	A6	(115,163)	(60,019)
Acquisition of non-controlling interests in subsidiaries	F9	(29,774)	-
Acquisition of joint ventures and associates	E1	(56,203)	(1,094)
Payments of contingent consideration	A7	(9,883)	-
Payments for property, plant and equipment	F5	(53,352)	(50,957)
Payments for intangibles	A5	(47,630)	(36,326)
Payments for the purchase of financial asset investments	B2	(19,743)	(1,124)
Proceeds from sale of financial asset investments	B2	112,571	-
Dividends received from joint ventures and associates		568	533
Loans repaid by related parties	E2	107	3,017
Loans advanced to related parties	E2	-	(474)
Loans repaid by external parties	C3	200	-
Net cash (outflow) from investing activities		(218,302)	(146,444)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	B4	197,541	210,645
Repayment of borrowings	B4	(48,855)	(232,876)
Payments for purchase of shares on market	D4	(2,139)	-
Proceeds from issue of shares	D4	1,428	1,153
Payments for purchase of treasury shares	D4	(7,698)	(13,449)
Proceeds from allocation of treasury shares	D4	4,442	3,994
Dividends paid to non-controlling interests		(346)	(35)
Dividends paid to company owners	B6	(319,441)	(155,629)
Net cash (outflow) from financing activities		(175,068)	(186,197)
Net (decrease) in cash held		(114,487)	(18,304)
Cash and cash equivalents at the beginning of the financial year		1,272,992	1,281,648
Effects of exchange rate changes on cash and cash equivalents		13,747	9,648
Cash and cash equivalents at end of the financial year	B1	1,172,252	1,272,992

¹ Including consumption tax
The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

38 ANNUAL REPORT 2019 FLIGHT CENTRE TRAVEL GROUP

<https://www.fctgl.com/wp-content/uploads/2019/10/FLT-Annual-Report-FY19.pdf>- Page 38

Review each section of the Statement of Cash flows above and the overall cash position of the company to justify why you would (or would not) consider investing in this company – Hint give further consideration to the events of 2020 when making your recommendation (200 words). **(3 marks)**