
Assignment 1

Getting Started

Unit code: ACCT11059 – Accounting, Learning and Online
Communication

Lecturer: Martin Turner

Author: Paul Murray - ID 12052131

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Step 1: Ideas, reflections and reactions – Intro and Ch. 1

I began reading the Study Guide and started to feel excited about doing this subject. I wasn't apprehensive beforehand like, as Martin suggested, some people would be, but I had preconceived ideas about accounting and what I would be learning. Essentially, I was expecting a focus on putting numbers in the right columns, making calculations or working out ratios. The more I read, the more I realised Martin had other plans.

My unexpected engagement began with the question 'is accounting what I think it is?'. It is a simple enough question however it provoked a lot of thought in my mind. How were my preconceptions about accounting formed? I have never studied accounting before, but I have worked with accountants as a business manager and owner. My experiences with accountants have not been positive, and I admit to feeling uneasy with some of their actions. One of the accountants I had known was a terrible bully and valued money higher than people. I witnessed him screaming at his son in a terrible rage because he made a mistake that cost him two hundred dollars. The twenty-four-year-old man was humiliated by his father in front of me and others as he was yelled at and reduced to tears. I realise this behaviour is not typical of all accountants however it was not my only experience of an accountant valuing money ahead of everything else.

Martin's opening paragraphs had a personal focus and opened my mind. Does this mean accounting could be a positive influence for me from now on? Had I been reluctant to learn about accounting before because I didn't have respect for the accountants I had known previously? I enjoyed what I was reading. Martin was an antitypical accountant and speaking a language I like. I was here to learn about accounting in the context of what it means to me.

I can recall many times when I felt alone in my business. I would do my best to provide outstanding quality and service to our clients, an excellent working environment for our staff, and support our suppliers. A question often plays over in my head as I think of those alone times, 'who motivates the motivator?' It can be hard being the business owner and motivator, consistently projecting a positive future, encouraging and supporting others. It would be very rewarding to use the skills gained from learning this subject to help support business owners who feel alone, such as I did. Perhaps I could be the one who motivates the motivator.

'Interact or perish' struck a chord with me. I will be interested, as a 52-year-old, to see how I interact with other members of our cohort. Will the younger students have any interest in communicating with a geriatric? I admit, without having read Martin's tip, I would have been inclined to keep to myself so this will be a challenge for me.

I read the 'six ways we can think learning is' with great interest, especially 'learning is changing as a person'. My ability to learn is critical to my future success, and I am looking forward to developing an understanding of how I learn from this subject. I tend to procrastinate and over-think tasks which can lead to anxiety and less enjoyment of my study. I hope to find out more about managing myself more effectively.

With an open-mind, I enthusiastically continued to chapter one.

There it was, right in front of me, a game changer. 'Creating or destroying value: this is the challenge before us each day in business.' This statement was what I needed to put everything in context. Do the decisions we make as business owners or employees create value or destroy value? Here was the 'gold standard' for making sense to anyone. Producing a quality product creates value whereas a poor-quality product destroys value. Delivering excellent service to clients creates value whereas bad service destroys value. Training staff creates value, not training them destroys value, and so it goes on. I now have an easy way to explain the focus of everyone in our organisation. A litmus test for all decision making. The tool for maintaining the course to ongoing success.

I started to question some of the actions of the bully accountant I spoke about earlier. An example being that he asked a staff member why they were wrapping a client's job in lots of one hundred before placing them in a box that held one thousand items. The staff member replied by explaining that the client asked for the items to be wrapped in lots of one hundred because they sell them to their clients in lots of one hundred. The accountant protested that this was costing him money and we shouldn't be doing it. The staff member told the accountant that the cost of the wrapping was allowed for in the quotation to the client. The accountant told the staff member to stop wrapping the items and just throw them in the box. If they wanted their job wrapped they should pay their account on time.

Was there a bigger issue here? I believe that delivering a product that meets the client's specifications is critical to creating value. What was the accountant thinking? In this case, I think he felt that they cost him money because they weren't paying their account on time so

he should not wrap them like that and save money. My belief is the product should always meet the client's specifications. The late payment of the account should be dealt with separately. I think the accountant was destroying value by doing this.

What would you decide in a more complicated situation? A company provides a quotation to a new client to produce a product for a set price, and the client accepts it. There may be an opportunity to win more work in the future if the company delivers on time and to a quality standard that meets the client's expectations. After receiving the purchase order, the company realises it made a mistake in their quotation. They will lose money this time but decide to produce the order, so they keep the door open to future opportunities. Is the company creating value by keeping the door open to future opportunities or destroying value by producing this order at a loss with no guarantee of future work?

My initial thoughts about this question are that it prompts more questions, such as:

- Would the client pay more for this order?
- Will the company be able to win future work if it quotes the price it should have quoted this time?
- Will there be enough profit in the next order to justify losing money this time?

I suspect the real issue in arriving at the correct answer to this question is the absence of critical information to make the right decision. I will be interested to see how other students tackle this question on PeerWise.

I felt quite comfortable when reading about business types and record keeping because of my past business experience. The history of double-entry bookkeeping was interesting especially as I had never considered how old accounting was. I think it is good to know the background of the subject because it gives you a better understanding. Your explanation of typewriters and keyboards was true of this as well. I am a two-sausage finger, typist and you may have inspired me to learn how to use all ten sausages at the same time. I will practice a little and let you know if I hit any snags.

Things slowed down for me when I hit the section on Accounting Equations. I had to read this a few times, and I thought I was getting a grasp of everything until I attempted some questions of PeerWise. I answered quite a few questions incorrectly, and this has knocked my confidence a little. I understand the five elements of accounting well in an individual sense. However, I am having difficulty comprehending the equations. The problem for me

seems to be the addition or subtraction of liabilities. Some practice over the next week will help me conquer this.

In conclusion, the simplicity of creating or destroying value was a great discovery for me. So far, my ACCT11059 learning experience has left me with more questions than answers. I am excited about delving further into this subject and revealing the positive side of accounting.

Step 2: Personal profile and blog

Moodle profile: <https://moodle.cqu.edu.au/user/profile.php?id=52707>

Blog: <https://numcrunophobia.com/>

Blog links forum: <https://moodle.cqu.edu.au/mod/forum/discuss.php?d=202144>

Step 3: My company

My company is **Coral Products PLC**, moulded plastic products specialists based in England.

My blog post about this company appears at:

<https://numcrunophobia.com/2017/03/28/blog-post-title-2/>

Annual reports for 2016, 2015 and 2014 were downloaded from the Coral Products website:

2016:

<https://www.coralproducts.com/wp-content/uploads/2016/09/annual-report-2016.pdf>

2015:

<https://www.coralproducts.com/wp-content/uploads/2014/02/Coral-Accounts-2015-Final.pdf>

2014:

<https://www.coralproducts.com/wp-content/uploads/2014/08/Annual-Report-Accounts-2014.pdf>

Incorporated in 1989, Coral Products PLC initially manufactured and supplied VHS video cassette cases to the media industry. The product range was later extended to include a range of 'home brand' plastic homewares made for supermarket chains. In April 1995, after its initial success, Coral Products was listed on the London Stock Exchange. With funding from the float, the company went on to invest in facilities to manufacture CD cases and then DVD cases.

By 2009 demand for media packaging had declined due to the shift away from packaged media to downloaded media. Fluctuating levels of profitability arising from the decrease in sales drove the company to diversify its product range. Later in 2009, the company released a range of recycled waste collection products for the domestic market, including kerbside recycling boxes and food waste caddies. Two years later, Coral Products began a series of acquisitions, namely:

- 2011 – Interpack Limited; food packaging products
- 2014 – Tatra Plastics Manufacturing Limited; PVC and plastic injection moulding and extrusion
- 2015 – Neiman Packaging Limited; acquired injection blow moulding and extrusion blow moulding plant and machinery
- 2016 – Rotolac Plastics Limited; thermoplastic extrusion and moulding solutions
- 2016 – Global One-Pak Holdings Limited; lotion pumps and trigger sprayer products
- 2017 – ICM Ltd; acquired injection moulding machines with robot handling and other production assets

Coral Products now employs 170 people within its operations across the UK with facilities in Merseyside, Wythenshawe, and Greater Manchester.

Key concepts and questions

The business started life as a manufacturer of VHS cassette tape cases. They transitioned well from VHS media packaging to CD's and then DVD's. They could see the market changing, so they diversified into the emerging waste recycling products market. The decision was a good one because it was a major product shift but one that was directly in line with their expertise, manufacturing plastic moulded products.

With the company's improved financial position, especially during 2015 and 2016, it has been able to take advantage of opportunities to acquire the businesses and assets of financially distressed kindred manufacturers.

Now the company manufactures and supplies a broad range of plastic products ranging from waste recycling bins and caddies to bakery trays, food containers, lotion pumps, trigger sprayers, and automotive components.

A diversified product portfolio puts the company in a stronger position to adapt to market changes and fluctuations. Recent high technology equipment acquisitions will enable the company to quickly and efficiently manufacture its products, allowing it to compete with other domestic and international suppliers.

The main question in my mind is about competition from manufacturers in China and India. I would have considered the Australian market for plastic packaging products to be under considerable competition from international suppliers. For Coral Products to be successful in

their domestic market, there must be other forces at play. Is the cost of transporting bulky, low weight product from overseas cost prohibitive? Is custom made product required by Coral Product's clients sooner than it arrives from overseas?

Top three blogs

First position goes to Jennifer Martin's 'Between the spreadsheets':

<https://betweenthespreadsheetsite.wordpress.com/>

Jennifer's blog is well laid out, well written and includes great images to introduce each post. You can easily see Jennifer's investment of time in her blog and her willingness to share her experiences. The blog name 'between the spreadsheets' is amusing and a bit edgy. The content is interesting, and Jennifer has a great sense of humour. Jennifer's post '[Those 4 Little Words](#)' had a great impact on me because it was emotional, honest and inspirational. I really would like to see Jennifer do well.

My feedback to Jennifer:

[https://betweenthespreadsheetsite.wordpress.com/2017/02/25/those-4-little-words/ - comment-98](https://betweenthespreadsheetsite.wordpress.com/2017/02/25/those-4-little-words/-comment-98)

Second position goes to Billy Van Moolenbroek's 'You can account on me':

<https://billyvanmool.wordpress.com/>

Billy's blog is like Jennifer's in that it is well laid out and rich in content. I like Billy's use of polls to interact with his cohort, and I have found him to be very social with everyone during the term. Billy posts are interesting and fun. I was grateful to Billy for telling me about some spelling mistakes on my blog. The mistakes were well hidden, but Billy showed his attention to detail and thoughtfulness by bringing these to my attention.

My feedback to Billy: <https://billyvanmool.wordpress.com/2017/03/01/first-blog-post/#comment-57>

Third position goes to Nicole Song's 'Accounting journey for my first year study':

<https://nicolesongblog.wordpress.com/>

Nicole gets my underdog vote. I studied the Mandarin language at the University of Queensland Institute of Modern Languages (IML) for two years. Mandarin is a hard language for English speakers to learn, and conversely English is a hard language for Mandarin

speakers to learn. My Mandarin studies also involved a learning of Chinese culture, and through this, I heard of the challenges overseas students face when studying in Australia. I can only imagine how difficult it would be for me to live away from my family in a foreign country with a different language and cultures. Nicole has done an admirable job of her blog by being open, friendly and honest about her experiences. Like Jennifer and Billy, Nicole has used great images to frame her posts.

My feedback to Nicole:

<https://nicolesongblog.wordpress.com/%E5%85%B3%E4%BA%8E/#comment-55>

My blog post about my top three: <https://numcrunophobia.com/2017/03/26/top-three-blogs/>

My blog links post on Moodle:

<https://moodle.cqu.edu.au/mod/forum/discuss.php?d=209523#p588003>

Step 4: Financial statements

As requested, the Company Spreadsheet has been submitted to Moodle as an Excel spreadsheet.

The spreadsheet is also available here: [ACCT11059_2017_T1_A1_S4_JohnMurray](#)

Step 5: Ideas, reflections and reactions – Chs. 2 and 3

I am a fully Licenced Real Estate Agent and Certified Practicing Business Broker running an agency which specialises in the sale of businesses and commercial property. Reading the beginning of chapter two, I felt comfortable with my understanding of Management Accounts and Financial Accounts because I deal with these every day.

One of the key challenges I face is having accurate and current financial information available to me from the seller. Financial accounts are critical for me as the broker to understand the business and to appraise its likely selling price. They are essential to prospective buyers in their assessment of the firm, and to financial institutions considering lending against the business. In this environment, none of the parties acting for the buyer has an interest in management accounts because they cannot be relied upon to the same extent as the financial accounts. The Generally Accepted Accounting Principles (GAAP), in this context, are recognised as the only acceptable standard, and this would have been driven by the financial institutions as discussed in the study guide.

While compliance with these accounting rules may be onerous for small business owners, it appeals to me and it should to any owner wanting to sell or obtain funding. The benefits of having quality financial accounts, however, are far wider reaching than the transaction to transfer ownership. As is the central theme of this subject, quality financial accounts are a model of a firm's economic and business realities. My personal belief is every business should have to comply with the GAAP standards.

I appreciated the examples you gave to illustrate how accrual accounting works. It sounds simple enough as you explain it. However, I have noticed some companies accrue more expenses than others. For example, one company may take up its annual insurance premium of \$12,000 in one month whereas another may show it as a monthly accrual of \$1,000. I find this complicates my understanding of the accounts and I hope to learn more about accruals as we delve further into the subject.

The quality of information section at the end of chapter two touched on an area of great interest to me, forecasting. It has been my experience that most small firms do not consider prediction to be important, preferring to react to events as they take place. A downfall for many business owners and managers, forecasting gives insight into the future and allows time to adjust the business.

For example, a forecast decline in sales would allow the company to improve its cost structure. We saw the banks dramatically reduce their costs ahead of the Global Financial Crisis. Not all forecasts are negative though as some will predict growth. The key is quality information as you expressed in the text.

I felt comfortable reading sections one and two of chapter three. I also felt at ease with step four of the assignment task which involved entering my company's financial statements into an Excel spreadsheet. As we progress further, I believe my limitations will become visible because I have a superficial knowledge of accounting. Understanding accounting on a deeper level will be beneficial to me, and I am looking forward to the challenge.

Step 6: Feedback

I posted my draft assignment to my blog on the morning the assignment was due. I did not allow sufficient time to interact with other students. One student, Melissa Edwards, sent me feedback from her review of my blog. Melissa's feedback was totally unsolicited but greatly appreciated.

I also exchanged feedback with Isaac Hayes and gave feedback to Sharmarke Yusuf.

Link to my blog post: <https://numcrunophobia.com/2017/04/01/blog-post-title/>

Link to Facebook post:

<https://www.facebook.com/groups/606638232724110/permalink/1292129234175003/>

Peer feedback sheets follow:

PEER FEEDBACK SHEET: ASS#1

Feedback From: Melissa Edwards**Feedback To: John Murray**

| | My Comments |
|--|--|
| Step 1 KCQs | Your questions were very interesting that you posted on this chapter and I found your content very interesting and easy to read and funny at times. I like how you explained some of these concepts in your own experiences which then again made them easier for me to understand. I hope in the future all your experiences with accountants will be positive. |
| Step 2 Introductory words in Description box Photo and description Link to your blog/Set up blog | Good introduction to yourself as well as a photo present on Moodle. Although I do wonder and have wondered this before as to why you refer to yourself as John Murray, but you are enrolled as Paul Murray. Do you prefer one name over the other? The link to your blog is clear and works well. |
| Step 3 Background information on company Comments/KCQs Comments on other's blogs | Great information about your company. It was very clear and concise about what they do and where they have come from as well as where they plan to head to. |
| Step 4 Input company's financial statements | Your financial statements look good and clear. I am not expect in these (although I hope to be someday) but they appear all good to me. |
| Step 5 KCQs | I have not been able to locate your KCQs for chapters 3 and 3 as yet. I will keep looking though. |
| Step 6 Feedback to others | |
| Overall Ass#1 | I think that your Ass#1 is pretty good so far. Your work is easy to read, contains little spelling or grammar issues and keeps the reader intrigued. I look forward to seeing more of your work and enjoying this study journey with you. |

FEEDBACK SHEET: ASS#1

Feedback From: Isaac Hayes

Feedback To: John Murray

| Step | Comments |
|---------------|--|
| Step 1 | Very in-depth analysis of both the introduction and chapter one. Can't fault it at all! |
| Step 2 | Everything seems to be in order with your profile. Blog looks fantastic and is regularly updated. |
| Step 3 | I'd put a bit more time in talking about what you think are some challenges that the company are facing, and what they are doing to overcome them. |
| Step 4 | Well laid out, and all the information is there. Great job. |
| Step 5 | Really like how you were able to relate the chapters to your own personal work experience. |
| Overall ASS#1 | Great job, John. A few little odds and ends to touch up, but overall a really stellar job, congrats! |

PEER FEEDBACK SHEET: ASS#1

?

Feedback From: John Murray

Feedback To: Sharmarke Yusuf

| | My Comments |
|--|--|
| <p>Step 1</p> <p>KCQs</p> <p>?</p> <p>?</p> <p>?</p> <p>?</p> <p>?</p> | <p>Your writings are open and honest about your experiences starting at university. We are all here to learn something new. A good habit to get into early is avoiding the use of abbreviations like 'm' and use 'am' instead. Use 1.5 line spacing in your documents so they are easier to read.</p> |
| <p>Step 2</p> <p>Introductory words in Description box</p> <p>Photo and Description</p> <p>Link to your blog/Set up blog</p> <p>?</p> <p>?</p> <p>?</p> | <p>Great introduction. Very interesting to know your background. I did not see photo but they may be a problem at any end. You should check to be sure. The link to your blog works well.</p> |
| <p>Step 3</p> <p>Background information on company</p> <p>Comments/KCQs</p> <p>Comments on other's blogs</p> <p>?</p> <p>?</p> | <p>You seem enthusiastic about your company and provided good information.</p> <p>Your top 3 blogs should probably be noted at the end of your step text and you may like to elaborate on what you like about each of the blogs. You could also provide links to show feedback given by you to each blogger.</p> |
| <p>Step 4</p> <p>Input company's financial statements</p> <p>?</p> <p>?</p> <p>?</p> | <p>Lots of work here and would have taken you a long time. Some tidying up of shaded rows and columns may finish it off nicely.</p> |
| <p>Step 5</p> <p>KCQs</p> <p>?</p> <p>?</p> <p>?</p> | <p>Again, open and honest writings. Good questions.</p> |
| <p>Step 6</p> <p>Feedback to others</p> <p>?</p> | <p>At the time of reading your draft there was no feedback included.</p> |
| <p>Overall Ass#1</p> <p>?</p> <p>?</p> <p>?</p> <p>?</p> <p>?</p> | <p>I think you have thought carefully about your assignment and seem to be enjoying the subject. Some general attention to layout will help you in future assignments.</p> |

PEER FEEDBACK SHEET: ASS#1

Feedback From: John Murray**Feedback To: Isaac Hayes**

| | My Comments |
|--|---|
| Step 1 KCQs | Excellent work Isaac. In depth, insightful and well presented. |
| Step 2 Introductory words in Description box Photo and description Link to your blog/Set up blog | Good introduction. I did not see a photo but they may be a problem at my end. You should check to be sure. The link to your blog works well. |
| Step 3 Background information on company Comments/KCQs Comments on other's blogs | Well covered and interesting. Comments on your top 3 blogs were very good. |
| Step 4 Input company's financial statements | Your work looks spot on to me. Well done. |
| Step 5 KCQs | Again, excellent work. I have learnt from you, thank you. |
| Step 6 Feedback to others | Feedback given was good. |
| Overall Ass#1 | Your draft is one of the best I have seen. I am really interested to know how it is marked. |