

**BUS1AFB**  
**Individual Assignment**  
**10 marks total**

**General information and requirements**

This is an individual assignment due for submission after Week 5, **Tuesday 6<sup>th</sup> April at 11.59pm, 2021.**

**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. I have allowed slightly more words than is allocated in the course as this is actually easier for students. Any student that is at the lower end will not be penalised provided the question has been fully answered.

Any assignment where the answers (not including Cover Page, Table of Contents, Headings and References) that is over 750 words 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 “Assessment” box for guidance.

**Graduate Capabilities**

This subject assesses the following graduate capabilities:

Writing	3 marks
Critical thinking	2 marks
Creative Problem-solving	2 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 “Assessment” box. (2 marks)

## Question 1

(3 marks)

Review the extract from Reuters on the 6<sup>th</sup> March 2018 (<https://www.reuters.com/article/us-kobe-steel-scandal-ceo-idUSKBN1GH2SM>), and any other relevant research, to answer the following:

Required:

- a) What is the meaning of the “triple bottom line”, please include an example to illustrate? (100 words) (1 mark)
- b) Describe the actions of Kobe Steel’s management from a triple bottom line perspective. Include a reflection as to whether Kobe Steel’s ethical consideration have been applied in accordance with the triple bottom line concept, and why you think Kobe Steel’s management chose to make the decisions they made. You are to include an example of a client who uses their steel and the potential risk to their business as part of your illustration of the “triple bottom line”. (200 words) (2 marks)

## Question 2

(3 marks)

Maria acquired Sunshine Delivery Services in 2015 providing a courier service for non-refrigerated goods within the City of Melbourne.

Due to Covid the business has expanded rapidly and needs to obtain finance for an additional delivery van to expand the business. Maria’s accountant is ill and cannot assist for another month. As Maria has no experience in accounting she watched “how to prepare financial statements” YouTube videos and then prepared the financial statements below:

Sunshine Delivery Services Pty Ltd	
Income Statement	
As at the 30 June 2020	
<b>Revenues</b>	
Service revenue	264,000
Revenue received in advance	21,500
	<u>285,500</u>
<b>Expenses</b>	
Accumulated depreciation-motor vehicle	25,000
Fuel expense	77,500
Insurance expense	23,500
Interest expense	15,000
Salaries payable	13,500
Total expenses	<u>154,500</u>
<b>Profit</b>	<u>131,000</u>
Sunshine Delivery Services Pty Ltd	
Statement of Changes in Equity	
As at the 30 June 2020	
Owners' Investment	50,000
Retained earnings opening balance	132,500
Cash	187,000
Retained earnings closing balance	<u>319,500</u>
Closing Equity	<u>369,500</u>

Sunshine Delivery Services Pty Ltd		
Statement of Financial Position		
For the year ending 30 June 2020		
<b>Assets</b>		
Current Assets		
Add profit		3,000
Accounts payable		45,000
Delivery supplies		18,000
Total current assets		<u>66,000</u>
Non-current assets		
Delivery Vehicles	180,000	
Depreciation expense-motor vehicle	- 20,000	160,000
Total non-current assets		<u>160,000</u>
Total assets		<u>226,000</u>
<b>Liabilities</b>		
Current liabilities		
Accounts receivable		58,000
Interest payable		7,500
Salaries expense		125,000
Total current liabilities		<u>190,500</u>
Non-current liabilities		
Long-term bank loan		145,000
Total non-current liabilities		<u>145,000</u>
Total liabilities		<u>335,500</u>
Net assets		<u>- 109,500</u>
<b>Equity</b>		
Owners' Investment		50,000
Retained earnings Opening Balance		132,500
Total Equity		<u>182,500</u>

After learning that you are currently studying Principles of Accounting and Finance at La Trobe University, Maria has asked you for advice in the form of a brief written report. Your report should:

- Describe the purpose of each of the financial statements above (100 words). **(0.5 mark)**
- List any errors Maria has made in these financial statements and then briefly explain to Maria the correct treatment (200 words). **(2.5 marks)**

Question 3

(2 marks)

The following shows the Consolidated Statement of Cash Flows for Coca-Cola Amatil from their 31 December 2019 Annual Report p.104 (<https://www.ccamatil.com/au/Investors/Annual-reports>)

	Note	2019 \$M	2018 \$M
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>			
Coca-Cola Amatil Limited and its subsidiaries for the year ended 31 December			
<b>Inflows/(outflows)</b>			
<b>Operating cash flows</b>			
Receipts from customers		6,199.5	5,945.1
Payments to suppliers and employees <sup>1</sup>		(5,374.1)	(5,076.1)
Lease payments (interest component) <sup>2</sup>		(14.8)	-
Interest income received		42.3	23.0
Interest and other finance costs paid		(85.3)	(109.9)
Income taxes paid		(99.9)	(159.6)
<b>Net operating cash flows</b>	14a	<b>667.7</b>	<b>622.5</b>
<b>Investing cash flows</b>			
Payments for:			
– additions of property, plant and equipment		(204.3)	(306.7)
– additions of software development assets	9	(29.2)	(32.6)
– additions of other intangible assets	9	(1.3)	(0.4)
– investments		(5.2)	(37.4)
– acquisition of a business, net of cash acquired		-	(15.2)
– held to maturity investments		-	(113.6)
Proceeds from:			
– disposal of property, plant and equipment <sup>3</sup>		33.7	86.5
– disposal of business	12c	39.6	-
– held to maturity investments		33.3	-
– government grant relating to additions of property, plant and equipment		-	5.0
– dividends received from investments		0.2	0.3
<b>Net investing cash flows</b>		<b>(133.2)</b>	<b>(414.1)</b>
<b>Financing cash flows</b>			
Lease payments (principal component) <sup>2</sup>		(58.2)	-
Proceeds from borrowings and other financial liabilities		153.8	429.0
Borrowing repaid		(371.0)	(424.3)
Payments for share buy-back, including transaction costs		-	(0.4)
Dividends paid	4	(369.2)	(340.2)
Dividend paid to non-controlling interests		(0.4)	(0.3)
Loan given		(2.3)	(6.5)
<b>Net financing cash flows</b>		<b>(647.3)</b>	<b>(342.7)</b>
Net decrease in cash and cash equivalents		(112.8)	(134.3)
Cash and cash equivalents held at the beginning of the year		935.4	1,036.3
Effects of exchange rate changes on cash and cash equivalents		31.8	33.4
<b>Cash and cash equivalents held at the end of the year</b>	14a	<b>854.4</b>	<b>935.4</b>
<sup>1</sup> Includes \$39.0 million (2018: \$56.5 million) of cash outflows relating to non-trading items of the respective period. <sup>2</sup> The balances arise or have been impacted by the adoption of the new leasing accounting standard from 1 January 2019; refer to pages 105 to 107 for further transition details. In the previous year, lease payments formed part of payments to suppliers and employees within operating cash flows. Under the new standard, lease payments (excluding short-term, low-value and variable leases) are allocated between interest and principal components and classified within operating and financing cash flows respectively. <sup>3</sup> Includes \$27.6 million (2018: \$82.9 million) of cash inflows relating to non-trading items of the respective period.			
Notes appearing on pages 105 to 148 to be read as part of the financial statements.			
104 COCA-COLA AMATIL ANNUAL REPORT 2019			

Review each section of the Statement of Cash flows above and the overall cash position of the company to justify why (or why you would not) consider investing in this company (150 words). (2 marks)