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THE AUSTRALIAN NATIONAL UNIVERSITY

FACULTY OF ECONOMICS

DEPARTMENT OF ACCOUNTING AND PUBLIC FINANCE

ANNUAL REPORT 1971

The Work of the Department

The Department undertakes research and offers both undergraduate and postgraduate courses in accounting and public finance in the Faculty of Economics. The accounting major has been designed to provide a rigorous educational preparation for entry to the accountancy profession and for careers in business management or public financial administration. The main emphasis in accounting is on accounting theory, managerial accounting and the role of accounting in relation to the public sector. Work in public finance is concerned mainly with public finance theory and with problems of resource allocation in the public sector.

Fourth-year honours programmes are offered in both accounting and public finance, and the Department also offers courses for the M.Ec. course-work degree in economic policy. The specialized interests of the Department and its location in Canberra combine to ensure a heavy demand for research scholarships at both the Master's and Ph.D. levels.

In 1971, it was possible for the first time for Accounting units to be taken for the B.A. and B.Sc. degrees. Following changes to the B.Ec. degree rules, also, it became possible for B.Ec. students to include units offered by the Faculty of Law which, when taken with an approved accounting major, will facilitate subsequent admission to professional accountancy bodies. A new third-year semester unit in Accounting Control will be offered for the first time in 1972 for the benefit of these students.

Undergraduate Courses

In 1971, the following undergraduate courses were offered by the Department:

Full-year Courses -

Accounting I	The elements of accounting.
Accounting II	Managerial accounting and business organization.

Semester Courses -

Public Authority Accounting
National Economic Accounting
Financial Accounting Theory
Company Finance
Welfare and Taxation
Expenditure and Fiscal Institutions

Honours Courses -

Accounting IV	Accounting Theory. Company Finance.
Public Finance	Public Finance Theory. Public Expenditure Policy. Planning-programming-budgeting Systems.

Undergraduate Enrolments and Examinations

Total unit enrolments (giving enrolments in semester courses a weight of ½) were 339, an increase of 36 per cent over the 1970 figure. The rapid growth in enrolments during recent years has severely strained the Department's teaching capacity, especially as the creation of new posts is subject to a considerable time lag and has recently been restricted to tutorships which are difficult to fill.

The failure rate in Accounting I was about the same as in 1970 (29 per cent of those sitting for the final examinations). The combined failure and wastage rate rose slightly (to 47 per cent in 1971 compared with 45 per cent in 1970 and 54.0 per cent in 1969).

There were few failures in second- and third-year units.

As has been noted in earlier reports, examining arrangements have been drastically modified during recent years in order to give greater weight to work done during the year.

Enrolments and examination results for 1971 are summarized in Table 1 (attached).

Student Participation

Regular staff-student meetings were held during the year. Student attendance continued to be very poor - never more than 10 per cent of those eligible to attend - but the meetings served a useful purpose in providing an opportunity for reviewing teaching and examining arrangements.

Postgraduate Students

During 1971, D. Beattie was awarded the Ph.D. degree for his thesis on Optimal Resource Allocation within the Framework of Public Finance Theory.

J.P. Weldon was awarded the M.Ec. degree for his thesis on Managerial Real Investment Incentives under Corporate Income Taxation. Anan Lewchalermwong submitted his thesis on Taxation and Tax Reform in Thailand and A.S. Minchin submitted his thesis on Investment Allowances for Australian Manufacturers. At the end of the year these theses were still being examined.

Staff List

Professor and Head of Department -
R.L. Mathews, B.Com. (Melb.) (on study leave until 30 August, 1971)

Reader (Acting Head until 30 August, 1971) -
W.R.C. Jay, B.A., B.Com. (Q'ld.)

Senior Lecturers -
R.A. Ma, B.Com. (Lond.), M.B.A. (Br.Col.) (until 31 July, 1971)
P.E.M. Standish, B.A., B.Ec. (Syd.)

Lecturers -
H.G. Brennan, B.Ec. (on study leave from 23 September, 1971)
J.Y. Henderson, B.Ec. (Adel.) (on study leave from 15 May, 1971)

Temporary Lecturer -
J.K. Henderson, B.A. (Macq.)

Senior Tutor -
I.G. Tilley, B.Com. (Q'ld.) (from 7 February, 1971)

Staff Movements

Professor Mathews spent the first three months of his study leave in the United States as Visiting Professor at the Ohio State University, and subsequently carried out research work in London and Western Europe. At the end of the year, he spent a month in the Cook Islands and Tonga advising Governments on their tax systems.

Mr R. Ma resigned in July to take up an appointment as Professor of Accountancy at the University of New South Wales.

Mr H.G. Brennan left in September to take up a Visiting Research Fellowship at Dalhousie University, Halifax, Nova Scotia.

Mr J.Y. Henderson held a visiting appointment at the Ohio State University during the Summer and Fall Quarters, and also visited the University of California, Berkeley in order to submit his Ph.D. dissertation on National Balance Sheets.

Mr I.G. Tilley joined the Department as a Senior Tutor in February, 1971.

Visitors

Although strictly attached to the Department of Economic History as Faculty Visitor for 1971, Professor A.R. Prest (Professor of Public Finance in the London School of Economics) also participated actively in the work of this Department during his stay in Canberra.

Research

The main research work carried out by members of the Department in 1971 was concerned with: public expenditure theory (Brennan); resource allocation in the public sector (Mathews); cost-benefit analysis applied to roads (Jay, Hodges); planning, programming, budgeting systems (Jay, Mathews); defence economics (Van Gelder); economics of education (Brennan, Mathews); taxation theory and policy (Mathews, Stock, Lewchalermwong, Minchin); intergovernmental fiscal relations (Jay, Mathews, Ingevics); national accounting systems (Jay, Ma, Henderson); income measurement theory (Standish, Ma); company finance (Standish, Ma).

In addition to the publications listed below, several major research publications are in the hands of the printer. These include:

(a) Program Budgeting and Higher Education, by J. Cutt (being published by the Department as the first of a new series of Public Finance Monographs);

(b) Company Finance, by R. Ma and R.L. Mathews (being published by Cheshire as part of a volume of Studies on the Australian Capital Market);

(c) Intergovernmental Fiscal Relations in Australia, by R.L. Mathews and W.R.C. Jay (being published by Nelson);

(d) Financing Higher Education, by R.L. Mathews (being published by Angus and Robertson in a volume on Issues and Problems in Higher Education);

(e) Budget Organization and Structure, by R.L. Mathews (being published in a volume of essays in honour of Lady Ursula Hicks).

Other Activities

Professor Mathews continued to advise Governments in the South Pacific on university finance (Fiji) and taxation (Cook Islands, Tonga). He also continued to serve as external examiner for the University of Malaya.

The Department took the initiative in organizing a successful seminar on intergovernmental relations, which was held in Canberra during the period 5-8 November under the joint sponsorship of the University and the Academy of the Social Sciences in Australia. The seminar was attended by about 40 parliamentarians, public servants and academics from the fields of economics, political science, public administration, law and history; Commonwealth, State and local interests were all well represented. It is hoped that the main papers will be published after editing.

Public Lectures and Conference Papers

Activity	Topic
Jay, W.R.C.	
R.A.A.F. Staff College	"Australian Economic Policy"
Australian Services Staff College Joint Services Wing	"The Australian Economy"

Activity	Topic
Jay, W.R.C. (Contd)	
Department of Trade Graduate Training Group	"Commonwealth-State Financial Relations"
Academy of the Social Sciences Seminar on Inter-governmental Relations	"Fiscal Adjustment in the Australian Federation : Vertical Balance"
Department of Continuing Education	"Economic Theory and Practice" (5 lectures)
Economic Society of Australia and New Zealand	"The Commonwealth Budget for 1971-72"
Mathews, R.L.	
Bankers' Administrative Staff College	"The Australian Economy - The Infrastructure"
Academy of the Social Sciences Seminar on Inter-governmental Relations	"Fiscal Adjustment in the Australian Federation : Horizontal Balance"
Standish, P.E.M.	
Public Service Board Training Conference	"The Economics of Immigration" (2 lectures)

Publications

Brennan, H.G.
"Fee Abolition : An Appraisal", The Australian University, 9, 2, 81-149.

Jay, W.R.C.
"Immigration : The Case for Continuation", Applied Economics : Readings for Australian Students (Hancock, K.J., Hughes, B. and Wallace, R.H., eds.), McGraw-Hill, Sydney, 59-60.

Mathews, R.L.
The Accounting Framework, Cheshire, Melbourne, xviii + 585.
"Towards a System of Current Value Accounting", The Singapore Accountant, 6, 9-17.
"Commonwealth-State Fiscal Adjustment and Equalization", Economics, 6, 1, 8-21.

Mathews, R.L., Downing, R.I.≠, Arndt, H.W.℘℘, and Boxer, A.H.≠, "Proposals for Reform of the Australian Tax System", Applied Economics : Readings for Australian Students (Hancock, K.J., Hughes, B. and Wallace, R.H., eds.), McGraw-Hill, Sydney, 81-85.

Mathews, R.L., Richardson, J.E.℘ and Nevile, J.W.≠, "Report of Committee on the Effects of Commonwealth-State Relations on University Finances", Vestes, XIV, 3, 308-312.

℘ Member of the School of Law.
≠ Not a member of this University.
℘℘ Member of the Department of Economics, Research School of Pacific Studies.

Standish, P.E.M.
Australian Financial Reporting, Accounting Research Study No. 2, Accountancy Research Foundation, Melbourne, xiii + 305.
"Immigration : The Case for Reduction", Applied Economics : Readings for Australian Students (Hancock, K.J., Hughes, B. and Wallace, R.H., eds.), McGraw-Hill, Sydney, 61-64.

Theses

Postgraduate theses were submitted as follows:

M.Ec.

Anan Lewchalermwong	"Taxation and Tax Reform in Thailand"
Minchin, A.S.	"Investment Allowances for Australian Manufacturers".

THE AUSTRALIAN NATIONAL UNIVERSITY

DEPARTMENT OF ACCOUNTING AND PUBLIC FINANCE - ANALYSIS OF STUDENT PERFORMANCE

1	2		Percentage of Number Enrolled						Percentage of Number Sitting											
			3		4		5		6		7		8		9		10		11		12	
Subject or unit	Enrolled as at 16.4.71		Sitting		Wastage (i.e. 2 - 3)		Failure		Sitting		High Dist.		Dist.		Credit		Pass with Merit		Pass		Fail	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Accounting I	173	(100)	130	(75)	43	(25)	38	(22)	130	(100)	2	(2)	1	(1)	7	(5)	-	(-)	82	(63)	38	(29)
Accounting II	73	(100)	70	(96)	3	(4)	4	(5)	70	(100)	4	(6)	2	(3)	1	(1)	9	(13)	50	(71)	4	(6)
Pub. Auth. Acc.	24	(100)	22	(92)	2	(8)	-	(-)	22	(100)	2	(9)	1	(4)	3	(14)	5	(23)	11	(50)	-	(-)
Nat. Econ. Acc.**	30	(100)	25	(83)	5	(17)	1	(3)	25	(100)	3	(12)	3	(12)	-	(-)	5	(20)	13	(52)	1	(4)
Fin. Acc. Theory	26	(100)	25	(96)	1	(4)	6	(22)	25	(100)	2	(8)	2	(8)	2	(8)	-	(-)	13	(52)	6	(24)
Company Finance	28	(100)	26	(93)	2	(7)	1	(4)	26	(100)	3	(12)	3	(12)	2	(8)	4	(15)	13	(50)	1	(4)
Welf. & Tax.	36	(100)	33	(92)	3	(8)	3	(8)	33	(100)	-	(-)	5	(15)	3	(9)	2	(6)	20	(61)	3	(9)
Exp. & Fisc. Inst.**	42	(100)	38	(90)	4	(10)	1	(2)	38	(100)	1	(3)	4	(10)	3	(8)	7	(18)	22	(58)	1	(3)

	Enrolled	Completing 1971	Results
Accounting IV (Honours)	2	2	2 H2A
Public Finance (Honours)	1	1	1 H2B
Masters Qualifying ∅	2	1	Permitted to proceed to M.Ec.
Masters by Thesis	5	2	Results awaited
Masters by Course Work: Public Expenditure Policy	8	8	1 HD, 4 D, 3 CR.
Ph.D.*	2	-	

∅ Includes 1 staff candidate

* 2 staff candidates

** Second semester enrolments