

Chapter 1

Introduction to business accounting and the role of professional skills

The questions in this chapter are divided into three sections:

- **Testing your knowledge:** these questions are straightforward and are designed to help students assess their basic knowledge of a particular topic.
- **Applying your knowledge:** these questions ask students to use their basic knowledge to solve a particular problem.
- **Making evaluations:** these questions are more complex and ask students to integrate their knowledge of a particular topic or topics to make decisions.

We have included the 'Content analysis' below to help instructors decide which **applying your knowledge** questions to assign. It briefly summarises the content of each question. We did not provide a content analysis for the **making evaluations** questions because of their lack of uniformity, and because of the multiple topics included in them.

Content analysis for applying your knowledge questions

- 1-29 Service and Manufacturing Businesses.** Explain how two businesses can provide examples of a service business and a manufacturing business.
- 1-30 Cash Flows.** Explain how knowledge of a business' cash receipts and payments would help a bank make a loan decision. Determine which financial statement the bank would request to assist in making the loan decision.
- 1-31 Business Organisation.** List factors involved in deciding whether to operate as a sole proprietorship, a partnership, or a business.
- 1-32 Business Location.** List questions a business should ask before opening a factory in a new location.
- 1-33 International Business Location.** Referring to 1-31, list questions a business should ask before opening an international branch. Compare questions with 1-31.
- 1-34 Internal and External Users.** List examples of business information useful to both internal and external users.
- 1-35 Management Information.** Give examples of information that would be useful in the management activities of planning, operating, and evaluating.
- 1-36 GAAP.** Explain what generally accepted accounting principles mean and how they affect business reports. Explain why new proposals would concern business owners.
- 1-37 Financial statements.** Describe financial statements, list the major financial statements and explain what each financial statement includes.

- 1-38 Ethics.** Explain how codes of ethics help business people make decisions.
- 1-39 Forming Arguments.** Consider two sides of an issue and develop arguments to support both sides.
- 1-40 Argument Presentation.** Develop alternative methods for presenting an argument to a boss while considering possible rebuttals from the boss.
- 1-41 Evaluating Opportunities.** Develop questions to ask a boss concerning a new job offer.
- 1-42 Evaluating Loan Customers.** Determine what information is needed to evaluate a loan applicant and how this information could affect the loan decision.
- 1-43 Evaluating Accounting Information.** Referring to 1-41, determine what could be added to accounting information to make it more useful in the loan decision.
- 1-44 Critical Thinking and Problem Solving.** Develop a list of ideas to solve an office problem.
- 1-45 Logical Application of Knowledge and Reasoning.** Determine the flaw in a co-worker's reasoning.

Testing your knowledge

- 1-1** Private enterprise refers to an economic system in which individuals, rather than government, own and operate businesses.
- 1-2** A service business is different from a manufacturing or merchandising business because it sells services, rather than goods or physical products, to customers.
- 1-3** Both merchandising and manufacturing businesses sell products to their customers. The difference between the two is that a manufacturing business makes the products it sells. A merchandising business buys products that are ready to be sold (often from a manufacturing business) and then sells those products to its customers.
- 1-4** Entrepreneurship refers to a situation in which an individual with an idea for a business willingly risks the loss of both time and money, in order to obtain capital to use in the production and sale of goods or services.
- 1-5** As an entrepreneur in need of resources, you might go to a bank for a loan or invest your own money. If you need equipment, machinery, or furniture, you might also finance the purchase of these items through the seller or lease them. Entrepreneurs can also obtain capital from individuals who have money to invest.
- 1-6** The first factor affecting the business environment is easy access to a vast amount of information which allows businesses to make decisions using timely information. The only drawback is that managers must be able to sort through the information to find that which is most relevant and timely.

The second factor is technological advancement. Technology has extended the work day and allowed quick communication over vast distances. It also has allowed access to up-to-date information and enabled production lines to work without human intervention. This development has made the world more competitive.

The third factor affecting the business environment is the globalisation of business activities. Globalisation creates a larger, more diverse marketplace. The challenge is to market the same product to different cultures using different languages and currencies.

The fourth factor is the increasing number of regulations which a business must follow. As a business chooses to operate in different countries, the number of regulations that it must follow may increase. Businesses may be affected by politically arranged, economic, or trade agreements between countries.

The fifth factor is the many different ways to conduct business. The numerous different types of business transactions affect the business environment by allowing businesses alternative ways to finance activities, invest cash and compensate employees. E-commerce allows businesses to conduct business with other businesses and consumers more conveniently than in the past.

The sixth factor is the many different ways in which businesses can be formed. The changing forms of business allow owners to choose an organisational form (each with unique advantages and disadvantages) that most closely meets the needs of the business.

1-7 A business organised as a company is considered a separate legal entity, which means that it can own property, enter into contracts, issue shares and be taxed. Neither sole proprietorships nor partnerships are considered legal entities. The result is that when these types of businesses have property, it is considered the property of the individual owners. Any profits earned by a sole proprietorship or partnership are considered income of the individual owners who must pay the income tax on those profits. Additionally, individual owners in a partnership or a sole proprietor are liable for any debts of the business.

1-8 There are four types of regulations with which a business must comply. Those regulations may change depending on where the business chooses to operate.

Local regulations are those set by either the city or council in which the business operates. Local regulations may include pollution control measures, health permits and zoning regulations. Because these regulations are created by city and local authorities, there may be differences between different cities or counties in the same state.

State regulations, as the name indicates, are those set by state governments. Many state regulations require businesses to pay state-based taxes (e.g., stamp duty or payroll tax). States also regulate the types of businesses that can operate in the state, setting licensing requirements for professionals. There are also regulations monitoring workplace health and safety, industry-specific regulations and workplace discrimination. State regulations can vary from state to state.

Federal regulations apply to businesses regardless of where in the country they choose to operate. For example, businesses must comply with Australian Taxation Office (ATO) rules of paying income taxes and all business must withhold federal income taxes from employees' pay and collect and pay goods and services (GST) tax. There are also regulations monitoring safety, competition, workplace discrimination and business registration.

If a business chooses to operate outside of its home country, it also must abide by the laws and regulations of the country in which it chooses to operate. International

regulations might encompass foreign licencing and import or export taxes and restrictions.

1-9 Accounting is a system of recording and reporting economic information about the resources and activities of a particular entity and conveying that information to interested parties.

1-10 Both management accounting and financial accounting use accounting information to generate reports about the resources and activities of a business. These reports help communicate information to users to help in decision making.

The main difference between management accounting and financial accounting is the intended users and their different information needs. Management accounting focuses on users within the business (managers) and helps them with their planning, operating and evaluating activities. Financial accounting focuses on users external to the business (investors/shareholders and creditors) and helps them decide whether or not to engage in some activity with the business.

1-11 Management accounting reports help managers in planning activities by identifying the activities and resources needed to achieve the goals of the business. These reports also can help managers analyse planned activities and alternative actions by providing revenue and cost estimates.

Management accounting reports help managers in operating activities by providing timely economic information about how alternative actions will affect the profit and solvency of the business. Managers use this information to make day-to-day decisions about which activities will best achieve the goals of the business.

Management accounting reports also help managers in evaluating activities. Managers use revenue and cost estimates generated in the planning process as a benchmark and then compare actual revenues and costs against that benchmark.

1-12 Generally accepted accounting principles (GAAP) are a set of principles, procedures and practices that businesses use for financial accounting and reporting. These 'rules' are developed by professional organisations and all accountants are required to follow the 'rules' when maintaining books of account for a business.

1-13 Financial accounting reports help external users by revealing information about a business' ability to generate cash to pay its bills and about a business' ability to earn a profit. This information helps external users such as creditors and investors to analyse a business' potential credit risk and possible return on investment.

- 1-14** Today's business environment is one in which many people face complicated ethical situations where the distinction between wrong and right is not clear. Business groups have established ethical codes to help members work through difficult issues. Ethical codes also help reassure the public that the work done by members of the group is performed in an ethical environment and is reliable.
- 1-15** A sustainable business is one that is strategic and ensures that all processes, products and activities address concerns about corporate social responsibility and environmental management, whilst generating a profit. Business sustainability refers to the fact that the business must operate efficiently and productively in order to remain profitable and allow the business to grow.
- 1-16** Internal control involves the procedures needed to control or minimise a business' risks (of losses, earnings drops, fraud, fines, scandal, and so forth), to safeguard a business' economic resources and to promote the efficient and effective operation of its accounting system.
- 1-17** In order to be prepared to enter the profession of accountancy, a graduate needs a set of skills to apply the accounting knowledge learned. These skills include the abilities to communicate, to perform research, to analyse and organise information, to understand and apply knowledge from diverse areas and to use judgement. In addition, employers and professional bodies recommend that these individuals possess functional, personal, and broad business perspective competencies. Functional competencies relate to the technical competencies, which are most closely aligned with the value contributed by accounting professionals (i.e. knowledge and ability to apply skills). Personal competencies relate to the attitudes and behaviours of individuals preparing to enter the accounting profession such as self management. Developing these personal competencies will enhance the way professional relationships are handled and facilitate individual learning and personal improvement. Broad business perspective competencies relate to the context in which accounting professionals perform their services. Individuals preparing to enter the accounting profession should consider both the internal and external business environments and how their interactions determine success or failure. They must be conversant with the overall realities of the business environment.
- 1-18** Auditing is a part of a business' control procedures. Internal audits review the business' operations to ensure that all employees are following the required procedures. External audits are conducted annually to ensure that the business is complying with GAAP in accordance with accounting standards. Auditing involves the examination by an independent auditor, of a business' accounting records and

financial statements, and the business' internal control over its financial reporting. Based upon the sample evidence gathered in the auditing process, the independent auditor expresses a professional, unbiased opinion about (or attests to) the fairness of the accounting information in the business' financial statements and the effectiveness of the business' internal controls.

1-19 Three professional organisations of accountants include the Institute of Chartered Accountants (ICA), the Certified Practising Accountants (CPA) and the National Institute of Accountants.

1-20 The business environment is constantly evolving due to the changing factors that affect it. Examples of factors not mentioned in the chapter are as follows:

- The ATM card is an example of a technological innovation that has affected the business environment. ATM cards have effectively extended banking hours and may eventually replace cash and cheques as a widely used form of payment.
- The change in televisions from analogue to digital is an example of a technological innovation which may affect the business environment in the future. This innovation may allow televisions to function as computers which would increase accessibility to computers and allow more people the option of telecommuting.
- The increase in the minimum wage is an example of a regulation that will affect the business environment. This increase may affect selling prices as businesses try to compensate for the increase in labour costs.
- The mapping of human genes is an example of a discovery that may affect the business environment. Some people fear that this type of information may lead to a new type of hiring discrimination. People with a genetic predisposition for certain diseases may find it difficult to find and keep jobs. The result may be an increase in unemployment or an increase in the number of entrepreneurs and small businesses. On the other hand, this knowledge of genes might eliminate some illnesses or allow physicians to recognise illnesses earlier than in the past, perhaps generating higher cure rates. This would result in a healthier workforce and lower health-related costs for businesses.
- A unique example of a discovery (technological innovation) that may affect the business environment is the use of animals to produce drugs. For example, some genetically altered goats are being used to produce protein drugs. The drugs come from the goat milk and are harvested more cheaply than traditional laboratory methods. This discovery/innovation will lower pharmaceutical business' costs and the prices of many expensive treatments of serious diseases. This discovery/innovation might also make 'farming' a more profitable and attractive career.

- Different forms of energy and regulation associated with the use, cost and development of different forms of energy use (e.g. solar, wind, etc) may also affect the business environment. The drive to alternative forms of energy is underpinned by a desire to reduce carbon emissions and contribute to a sustainable planet.

1-21 The broad skills necessary for practising accountancy and effectively conducting business are:

- communication skills (written and verbal)
- interpersonal and teamwork skills (including the abilities to lead and influence others, to motivate others, to withstand and resolve conflict, and to organise and delegate tasks)
- intellectual skills (creative and critical thinking), including judgement and analytical skills
- self management skills – an ability to prioritise, manage your daily routine, get things done in a timely manner
- a knowledge base, necessary to support intellectual skills (including general knowledge, organisational and business knowledge, and accounting and auditing knowledge).

1-22 There is a difference between thinking and critical thinking. Thinking is a natural function for human beings. Critical thinking, however, requires practice as well as an awareness and monitoring of the thought process. A critical thinker must be aware of the assumptions made and be able to judge whether there is sufficient evidence to support those assumptions. A critical thinker also must be aware of his or her own biases and be able to keep those biases from affecting the thought process.

1-23 Independence refers to the critical thinker's use of others' beliefs and ideas. To be independent, the critical thinker does not accept the beliefs of others without questioning the source of those beliefs and the evidence supporting them.

Objectivity refers to the critical thinker's own beliefs and ideas. To be objective, the critical thinker must be aware of his or her own biases and prejudices and try to eliminate them from his or her thinking when evaluating ideas.

1-24 It is important to evaluate the credibility of a source of information because of the possibility that the information is faulty or biased. If the source is not credible, what is the probability that the information is sound? The credibility of information sources must be evaluated to ensure that decisions are based on accurate information.

1-25 Because general knowledge encompasses knowledge of history and of various cultures, it provides a vast background that may help critical thinkers to evaluate ideas and make value judgements about solutions. It also helps critical thinkers 'see' other points of view. In creative thinking, general knowledge may help provide fluency because the individual will know more and be able to use exposure to history and different cultures to generate different ideas.

Organisational and business knowledge includes knowledge of how businesses work and of how various factors affect businesses. This knowledge helps creative thinkers develop ideas designed for a business environment. This knowledge helps critical thinkers better understand the effects of solutions and evaluate alternatives.

1-26 The first stage of problem-solving is recognising and defining the problem. In this stage, the problem solver defines the problem, gathers facts surrounding the problem and identifies the objectives that would be achieved by solving the problem. The major pitfall in this stage is the possibility of incorrectly identifying the problem. Solving the wrong problem could lead to new problems, make the problem worse and lead to an unproductive course of action.

The second stage is identifying alternative solutions. In this stage, the problem solver uses both creative and critical thinking to generate and identify workable solutions. A pitfall that the problem solver might encounter in this stage would be an inability to arrive at solutions that are workable. If the problem is not defined clearly, it may be difficult for the problem solver to determine which solutions fit the criteria or solve the posed problem.

The third stage involves weighing the advantages and disadvantages of each solution. In this stage, the problem solver evaluates potential solutions by examining the different effects of each. A pitfall that might be encountered in this stage could be an incorrect understanding of the effects of potential solutions. This could occur if the information used is interpreted incorrectly or if a solution is formulated based on incorrect information. Also, if the problem solver relies on numbers alone, he or she may not identify some of the more subtle advantages or disadvantages of the proposed solutions.

The fourth and final stage is choosing a solution. In this stage the problem solver looks at the evaluation of advantages and disadvantages from the previous stage and decides the best course of action. A pitfall the problem solver may encounter in this stage is the choice of a solution which does not solve the problem or which is not the 'best' solution. This pitfall could occur in a number of different circumstances. This could occur if the problem solver misunderstands the criteria necessary to solve the problem, if the circumstances surrounding the problem change during the process of finding a solution (the defined problem and the criteria for solving it may no longer be

valid) or if the problem solver has a difficult time comparing the advantages and disadvantages of each solution (due to the different weights of each).

The pitfalls for each stage can be interrelated. For example, if the problem solver misidentifies the problem in stage one, the actions of each stage will be affected. Also, if the problem solver quits too soon in stage two, it is possible that the best solution will never be identified. Finally, however thorough the problem solver may be, unanticipated future events may cause the chosen solution not to work.

- 1-27** Accounting information is used in each stage of problem solving. In the first stage, accounting information (information on costs, pricing, etc.) is examined to help identify the problem. In the second stage, accounting information can be used to determine whether or not potential solutions are workable (if we have already borrowed as much as we can, are there other sources of cash?). In the third stage, accounting information is used to determine the economic effects of each solution including determination of costs, profits, timing of cash receipts and payments and effects on income taxes. In the fourth stage, the problem solver uses accounting information specified for each solution in stage three and decides, based on that information, which solution will be the best (which solution provides the greatest benefit at the least cost).
- 1-28** Judgement involves the evaluation of evidence to make a decision or a choice or make a recommendation. We exercise judgement when we decide between two alternatives based on objective facts or data. For example, auditors must exercise judgement when deciding whether to issue an unqualified audit opinion that says the financial statements of a firm have been prepared in accordance with GAAP and accounting standards. Management accountants will exercise judgement when making decisions whether to outsource products or services or make or deliver them internally. Financial accountants will exercise judgement in choosing accounting methods. *Rational choice theory* suggests that people try to maximise benefits while minimising costs when exercising judgement.

Applying your knowledge

1-29 When you buy a ticket from Qantas Airlines, you are purchasing the right to sit on an airplane as it travels from one place to another. You are buying transportation. Because transportation is something intangible, it is considered to be a service. Because Qantas Airlines is in the business of providing transportation (the peanuts are incidental), it is considered to be a service business.

When you visit your local Toyota dealer to purchase a car, you also are buying transportation. The difference between the purchase of the airline ticket and the purchase of the car is that the car is a means of transportation. It is a very tangible product which will be driven as well as parked in your garage or driveway. Because the Toyota Motor Business is in the business of making cars and selling them to dealers (as opposed to selling and providing transportation), it is considered to be a manufacturing business.

1-30 When a bank makes credit decisions, its main concern is that the borrower will be able to make the monthly loan payments on time. One way for the bank to determine a business' ability to repay the loan is to examine the business' receipts and payments of cash. The first place a loan officer might go to examine a business' liquidity (ability to pay bills and make loan payments) is the business' cash flow statement. This statement would show the cash receipts and cash payments for operating, investing and financing activities.

1-31 In deciding what type of structure to use to run your business, you would consider factors such as differences in the way each organisation is taxed, your ability to raise capital, your business knowledge and the level of risk you are willing to accept.

A few of the factors you would consider when organising your business as a company is that income taxes on the profits are paid by the business instead of by the individual owners; and a business tends to be less risky because the company, instead of the individual owners, are liable for any debts of the business.

One of the positive factors of operating as a sole proprietor is that it allows flexibility in running the business. As the sole owner, you would be able to make decisions regarding the operation of the business and the use of its capital. The difficulties would be that you would have to be able to raise enough capital on your own to start the business and that you would retain all the risk if the business fails.

If you are not able to raise enough capital on your own or want to share the risk or are lacking in some area of expertise, you may consider organising the business as a partnership. A partner can bring special skills and expertise or additional capital into a business to help make it successful.

1-32 In deciding whether or not to open a new factory and sales office in Queensland, here are a few questions you might want to consider:

- Is there a market for the chocolate in Queensland? If not, it would be a waste of your time and money to locate there.
- Are there suppliers close to the intended location to help minimise freight costs?
- How high will salaries have to be to attract good employees? (i.e., how is the labour market in that area? If there is low unemployment, you will have to pay higher salaries to attract employees.)
- How strong is the economy in the intended location? (If the economy is unstable, the business will have to worry about the frequency of recessionary periods in which chocolate sales will most likely decline.)
- Are there any regulations unique to the state of Queensland that would affect business operations? Regulations that might affect the business range from rules for making food products to rules requiring the business to pay unusual taxes or comply with unusual regulations.

1-33 When considering opening a new factory and sales office in Helsinki – in addition to the questions listed above in question 1-32 – you might ask questions such as the following:

- What regulations (taxes, health, etc.) will affect the business?
- What cultural differences will affect the demand for the product (maybe Finnish people don't eat much chocolate)?
- What cultural differences will affect the work force or labour costs? What kind of benefits and time schedules must be offered to employees?
- Will the chocolate have to be reformulated to the limited availability of ingredients? (Usual ingredients may not be readily available or cost effective in a foreign country)?
- Will the chocolate have to be reformulated to better meet the Finnish consumer's taste (Finnish consumers may have a more subtle sweet tooth)?
- How many competitive chocolate suppliers are there in Finland already?

1-34 One example of information about a business in which both internal and external users have an interest is the costs of products sold. Managers within the business use cost information to help determine appropriate pricing for the products sold. External parties use the same information to help analyse the business' performance and ability to generate profit. Another example of information useful to both internal and external users is data about the sales of products. Managers use this information to help

determine necessary purchases. External users want to know about product sales to look at profitability and to help analyse future cash flows.

Internal and external users are both interested in the profits of the business. External parties use this information to evaluate their decisions to invest in the business. Managers use this information to assess the effectiveness of business goals and operations.

Both internal and external parties want to know about the resources available for use in operations. Managers use this information to determine the best way to allocate resources within the business. External parties use this information to evaluate the business' financial position and ability to continue operating.

- 1-35** In planning activities, managers need to be able to determine future sales and costs. To help determine potential sales in the upcoming year, information that would be useful includes data on last year's sock sales, projections of growth in population (if the population is growing, it is possible that sock sales will grow as well) and information on the economic wellbeing of the area. If the area is growing economically and people have more money to spend, they might spend that money on more new socks. To help predict the costs of product sales for the upcoming year, you could use information on last year's sales, projected sales for the upcoming year, any inflationary trends and projections of changes in suppliers' prices.

In operating activities, you might need information on daily sales figures broken down by type of sock or by sock supplier. This information would let you know which socks are selling best and what kind of socks you should continue to buy to increase the profitability of the store. You would also need to know sales figures and inventory levels to help determine how often to order socks from suppliers and how many socks you should order at one time.

In evaluating activities, you would want to compare your predicted costs of sales with the actual costs of sales. This would help you identify major differences between projections and actual results and determine whether performance was good or whether it needs to improve.

- 1-36** Generally Accepted Accounting Principles (GAAP) are the 'rules' that direct the accounting practices of businesses in Australia and New Zealand that sell goods and services to the public. Businesses that follow GAAP must be able to keep up with any changes in GAAP that affect their accounting and reporting. Because it takes time to review information published on new principles, there is a cost of staying informed. When GAAP does change, there is a cost of changing accounting systems, changing reports and informing employees.

The owner(s) of a business that is affected by a proposed new accounting principle is concerned about the cost of changing the business' accounting system and about the increased paperwork and time which may be required. The owner(s) also is concerned about any reporting changes that could reduce the amount of profit the business reports. If a new principle makes a business' performance appear less profitable, the owner may be concerned that the business would have trouble raising capital and attracting investors. An example within Australia might be the debate about carbon tax accounting.

1-37 Financial statements are reports that communicate accounting information about a business to managers and external parties, such as creditors and investors. The major financial statements are the income statement, the balance sheet and the cash flow statement.

The income statement helps users evaluate a business' operations over a period of time by showing revenues, expenses and net income. Revenues are the total amount that the business charged its customers for the goods or services it provided during a specific time period. Expenses are the business' costs of providing those goods and services, and net income is the difference between revenues and expenses.

The balance sheet helps users evaluate a business' financial position on a particular date by showing the business' assets, liabilities and owner's equity. A business' assets are resources such as cash, products available for sale to customers, and land, buildings and equipment owned by the business. Liabilities are the business' obligations such as loans to be paid back to a bank and amounts owed to suppliers and employees. The owner's equity section of the balance sheet shows the amount invested in the business by its owner(s), and the business' cumulative earnings.

The cash flow statement helps users evaluate a business' liquidity by showing its cash receipts and payments from operating, investing and financing activities for a specific time period. Cash flows from operating activities refers to cash received for providing goods or services and cash paid to suppliers or employees to enable the business to produce goods and provide services. Cash flows from investing activities refers to cash paid for non-current assets such as equipment or land, and cash received when those assets are sold. Cash flows from financing activities refers to cash received when the business obtains loans or receives cash from the sale of shares, and cash paid out when the business makes loan repayments.

1-38 Business people may face many situations in which the ethical issues are complicated and the line between right and wrong is fuzzy at best. To help business people make ethically sound decisions in these complex situations, a code of ethics makes statements about acceptable ethical behaviour. These statements can be considered

guidelines which can be applied to various situations to help in the decision-making process.

1-39 Upon considering the following opposing sides of an issue:

- a. The main support for requiring all businesses to follow GAAP is that it would ease financial statement comparison of businesses all over the world.
- b. Some reasons why all businesses should not be required to follow GAAP are as follows:
 - Different countries have different cultures and different economic concerns which make unique reporting requirements necessary (examples include communist countries where information on production would be more important than information on profit).
 - It would be difficult to agree on which accounting standards should be GAAP although International Financial Reporting Standards (IFRS) have helped overcome this problem.
 - Some businesses report to few, if any, outsiders. GAAP, therefore, would not be important since the information contained in reports would be for internal use only.

1-40

- a. Alternative ways you could approach your boss include agreeing with her assessment and promising to do better (but only if you agree with her assessment), complaining about how unfair your workload is (this is not a very convincing approach, however) or logically persuading her that your workload is unreasonable.

Some of the information you could use to approach your boss in order to support your point of view might include:

- an explanation of your difficulty in meeting deadlines
- a comparison of your workload with standard industry workloads
- proof of your past outstanding performance
- an outline of a way of rearranging the workload within your department.

It is important that with other information presented to your boss you should be able to bring concrete examples of how your workload has increased. Regardless of the evidence you use to support your point of view, it is important that the approach used is as objective and professional as possible. It is important that your boss understands that you are presenting a serious problem and not whining.