

Course Details

Course Title: Fundamentals of Financial Accounting

Course Code: ACC-111

Prerequisite: None

Credit Hours: 3

Course Description

This course is designed for developing knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements for single entities and simple groups. The syllabus also introduces basic techniques of interpretation of financial statements.

Course Objectives

The main objectives of the course are:

- To introduce you to the world of accounting
- To provide an understanding of accounting as a business activity
- To enable you to use double entry accounting techniques
- To introduce you to basic accounting concepts such as book-keeping, simple and consolidated financial statements and some basic IFRSs
- To provide a basic foundation to build upon later advanced level of learning

Learning Outcomes

By the end of the course you would:

- have grasp of basic accounting principles, accounting cycle, and financial statements
- be able to read published financial statements of listed companies
- be able to prepare financial statements with simple adjustments in accordance with specified international pronouncements
- be able to account for simple transactions related to inventories and property, plant and equipment in accordance with international pronouncements

Required Course Material

The required text(s) for this course include:

Financial Accounting ACCA Paper F3

Interactive text

Publisher: BPP or Kaplan

Fundamentals of Financial Accounting CIMA Paper C02

Publisher: Kaplan

Study text for CA – B4

Publisher: PAC

Introduction to Financial Accounting by Horngren, Pearson

Reading financial reports of listed companies is greatly encouraged.

Simple calculator required.

Course Evaluation (Grade Breakup)

All students are expected to participate in class discussions. Well thought out and topic/course oriented discussions are encouraged. Discussions as well as lectures will draw on and supplement reading assignments. As there is a fair amount of material to absorb, students are encouraged to read the assigned readings before coming to class. We won't necessarily cover every chapter topic in class.

This course is organized into weekly sessions composed of readings and discussions among the students and myself. Homework, assignments and projects build upon the readings and discussion, and include application to existing or potential challenges faced by firms. The course is laid out with the following process in mind:

- Review the relevant chapters assigned for a topic before class
- Participate in the class discussion
- Set aside at least as much time out of class as in class each week for study
- Complete the homework assignment

Following criteria will be used in evaluation and assessment of grades:

Quizzes	15%
Assignments/ Class activity	15%
Project	10%
Mid-Term Exam	20%
Final Exam	40%

Course Content (Weekly)

Weekly breakdown is given below

Week	Lecture Topic	Status
1	Introduction to accounting The purpose of Financial Reporting Types of Business entity Nature, Principles and scope of Financial Reporting Users and stakeholder's needs Governance The main elements of financial reports	
2	The regulatory framework The regulatory system The International Accounting Standards Board (IASB) The International Financial Reporting Standards (IFRSs) The qualitative characteristics of financial information	

	<p>Background</p> <p>The IASB's Framework</p> <p>The qualitative characteristics of financial information</p> <p>The balance between qualitative characteristics</p>
3	<p>Double entry book-keeping</p> <p>The role of source documents</p> <p>The need for books of prime entry</p> <p>Sales and purchase Day Books</p> <p>Cash book</p> <p>Petty cash</p>
4	<p>Ledger accounts</p> <p>Why do we need ledger accounts?</p> <p>The nominal ledger</p> <p>The accounting equation</p> <p>Double entry book keeping</p> <p>The journal</p> <p>Day book analysis</p> <p>The receivable and payables ledgers</p>
5	<p>Trial balance and financial statements</p> <p>Preparation of trial balance from ledgers</p> <p>Presentation of balance sheet and profit and loss account</p> <p>Introduction to both horizontal and vertical formats of financial statements</p>
6	<p>Returns, discounts and sales tax</p> <p>Sales and purchase returns</p> <p>Accounting for discounts – Trade and Settlement</p> <p>The nature of sales tax and how it is collected</p> <p>Accounting for sales tax</p>

7	Accruals and prepayments Journal entries for non-cash transactions Adjustment entries for accruals and prepayments
8	Inventory Cost of goods sold Accounting for opening and closing inventories Counting inventories Valuing inventories IAS 2 Inventories
MIDS	
9	Tangible non-current assets Non-current and current assets Capital and revenue expenditure IAS 16 <i>Property, Plant and Equipment</i> Acquisition Accounting Depreciation Accounting
10	Tangible non-current assets Disposal of non-current assets Disclosure in financial statements
11	Irrecoverable debts and allowances Irrecoverable debts Allowances for doubtful receivables Allowances for discounts
12	Preparation of financial statements after adjustments <ul style="list-style-type: none"> - Accruals adjustments - Doubtful debt adjustment - Bad debt adjustment - Depreciation adjustment

	- Closing stock adjustment
13	Correction of errors Types of errors in accounting The correction of errors Rectification of errors
14	Group presentations
15	Group presentations