	<b>ACCN1021</b>	<b>Financial Accounting</b>	L	T	P	J	S	C	
			4					4	
	Course Owner	Dept. of Finance	Syllabus version				1.0		
	Course Pre-requisite(s)		Contact hours				60		
	Course Co-requisite(s)		Date Approved						
Alternate Exposure									

*Accounting is aptly called the language of business. This designation is applied to accounting because it is the method of communicating business information. To enable the accounting language to convey the same meaning to all people as far as practicable it should be made standard. To make it a standard language certain accounting principles, concepts and standards have been developed over a period of time. Though accounting is generally associated with business, it is not only business people who make use of accounting but also many individuals in non-business areas that make use of accounting data and need to understand accounting principles and terminology.*

### Course Objectives

1. prepare Journals and Ledgers by using a double entry system.
2. To know the process of preparing bank reconciliation statements.
3. To understand the accounting principles, concepts and regulations.
4. Accounting framework to prepare Final Accounts of single entities.
5. To analyse and interpret the accounting information of financial statements by using ratios.

### UNIT – I ACCOUNTING PRINCIPLES, CONCEPTS AND REGULATIONS

**No of Hours: 08**

Accounting records to be kept and their uses- concept of stewardship - Users of accounts and their information needs - Functions of financial and management accounts - purpose of accounting statements - Capital and revenue; cash and profit; income, expenditure, assets and liabilities - Underlying assumptions, policies, accounting estimates; historical cost convention; qualitative characteristics of the Framework, elements of financial statements - The principles and elements of the Framework for integrated reporting - The accounting equation formula - Use of coding in record keeping - Regulatory influence of company law; role of accounting standards; IASs and IFRSs; formats for published accounts.

#### Learning Outcomes:

After completion of this unit, the student will be able to

- demonstrate the accounting concepts and conventions L2
- relate the importance of accounting equation and its use L2
- explain the basics of IFRS L2

**Pedagogy tools:** Blended learning, video lectures, self-reading and Coursera

### UNIT – II RECORDING ACCOUNTING TRANSACTIONS

**No of Hours: 12**


Record sales, purchase, income and expense transactions in the sales day book, purchase day book, cash book, returns books, and sales/purchase ledger - The accounting equation; double-entry bookkeeping rules; journal entries. Record all types of business transactions in nominal ledger accounts completing the trial balance from given ledger account balances - Errors including those of principle, omission, and commission - Journal entries and suspense accounts - In accordance with IAS 16 - acquisition, depreciation (straight line, reducing balance), revaluation, impairment and disposal of tangibles - In accordance with IAS 38 – intangibles and amortisation - Information to be recorded in a noncurrent asset register.

#### Learning Outcomes:

After completion of this unit, the student will be able to

- compare the different types of subsidiary books L2
- relate the book-keeping and double entry system L1
- construct journals and ledgers and trial balance L3
- contrast between depreciation and amortization L2

**Pedagogy tools:** Blended learning, video lectures, self-reading

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Alternate Exposure									

### UNIT – III: BANK RECONCILIATION

**No of Hours: 08**

Reconciliation of the cashbook to the bank statement - Using the imprest system for petty cash - Reconciliation of sales and purchase ledger control accounts to sales and purchase ledgers - Calculation of sales tax on all business transactions - Accounting entries for sales tax. *Note:* no knowledge of any specific tax systems/rules/rates will be required. Accounting entries for basic payroll information. Issue at full market price, rights issue and bonus issue.

#### Learning Outcomes:

After completion of this unit, the student will be able to

- illustrate the use of imprest system of cash book L2
- apply sales tax on all business transaction L3
- compare the differences between rights issue and bonus issue L4

**Pedagogy tools:** Blended learning, video lectures, self-reading, Coursera

### UNIT – IV PREPARATION OF ACCOUNTS FOR SINGLE ENTITIES

**No of Hours: 20**

Calculations and journals for accruals and prepayments (income and expenses) - Prepare journals for irrecoverable debts and allowances for receivables from given information - In accordance with IAS 2 – calculation of the figure for closing inventory for inclusion in the financial statements (FIFO, LIFO and average cost) and the journal entry to record it - Manufacturing accounts produced from given information. *Note:* No calculation of overheads and inventory balances is required - In accordance with IAS 1 - Statement of profit or loss and other comprehensive income; statement of financial position; statement of changes in equity - Calculate missing numbers using the accounting equation, profit margins and mark-ups, receivables and payables ledgers, and cash and bank ledgers In accordance with IAS 7 - operating, investing and financing sections.

#### Learning Outcomes:

After completion of this unit, the student will be able to

- construct trading, and profit and loss account (income statement) L3
- develop position statement L3
- solve manufacturing accounts L3
- solve missing numbers using the accounting equation L3

**Pedagogy tools:** Blended learning, video lectures, self-reading

### UNIT – V ANALYSIS OF FINANCIAL STATEMENTS

**No of Hours: 12**


Information provided by accounting ratios Reasons for the changes in accounting ratios. Ratios: return on capital employed; gross, operating and net profit margins; non-current asset turnover Trade receivables collection period and trade payables payment period; current and quick ratios; inventory turnover Gearing and interest cover.

#### Learning Outcomes:

After completion of this unit, the student will be able to

- categorize the different types of ratios L4
- interpret the financial statements with ratio analysis L5

**Pedagogy tools:** Blended learning, video lectures, self-reading

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	Course Pre-requisite(s)		Contact hours				60		
	Course Co-requisite(s)		Date Approved						
Alternate Exposure									

**Textbook(s):**

1. Fundamentals of Financial Accounting, BPP Learning Media Ltd.

**Additional Reading**

**Reference Book(s):**

1. Maheswari S.N & Maheswari S.K (2010), *Introduction to Financial Accounting*, New Delhi: Vikas Publishing House.
2. Tulsian P.C (2011), *Financial Accounting, Volume I and Volume II*, New Delhi: Pearson Education.

**Journal(s):**

1. Financial Management, CIMA
2. Insight, e-magazine, CIMA
3. Velocity, CIMA
4. Thought leadership, CIMA

**Website(s):**

1. <https://www.cimaglobal.com/>

	Programme Objectives (POs)					PSOs							
	1	2	3	4	5								
CO1	2	1	0	0	1								
CO2	1	0	0	2	0								
CO3	1	0	1	1	1								
CO4	2	0	2	2	0								
CO5	1	0	1	2	2								

1-Low, 2- Medium and 3- High Correlation