



**College of Business and Economics**  
**Department of Accounting and Finance**

Courses of the Module			
Course Number	Course Name	Cr. Hr	CP/ETCTS
AcFn 1031	Principles of Accounting I	4	6
Course Number	AcFn1031		
Course Title	Principles of Accounting I		
Module	Basics of Accounting and Reporting		
Course Objectives & Competences to be Acquired	<p>The course has the general objective of introducing students to the basics of accounting and reporting of financial activities of business organizations. Upon the successful completion of this course, the students will be expected to:</p> <ul style="list-style-type: none"><li>• Understand the role of Accounting in business and develop an awareness of the accounting profession</li><li>• Understand the purpose of the financial accounting function and standard financial accounting practices</li><li>• Summarize and apply basic financial accounting terms, concepts, and principles.</li><li>• Define and apply accounting terminology, concepts, and principles in analyzing, recording, and reporting basic business transactions</li><li>• Take a series of transactions through the accounting cycle</li><li>• Analyze, record, and report transactions for service, merchandising, and manufacturing businesses.</li><li>• Prepare financial statements</li><li>• Analyze accounting system design and control</li><li>• Apply accounting principles and control of cash and receivables</li></ul>		
Course Description	<p>This course is designed to provide introductory knowledge of accounting principles, concepts, and practices. The course deals with the processes involved in financial statements preparation for service-giving businesses, merchandising businesses, and manufacturing businesses. Topics covered includes the features of accounting information, users of accounting information, nature of financial statements, the double entry system, financial statements preparation process including journals, ledgers, trial balance, adjustments, worksheets, accruals, adjusting and closing entries, and the accounting system. This course provides a foundation for more advanced work in the fields of Accounting and business. All topics are studied in accordance with the provisions of International Financial Reporting Standards (IFRS)</p>		
Course Contents			

## **1. Introduction to Accounting and Business**

- 1.1. The nature of a business
- 1.2. The role of accounting in business
- 1.3. The profession of Accounting
- 1.4. Types of business organizations
- 1.5. Accounting principles and practices (IFRS)
- 1.6. The accounting equation and elements of the equation
- 1.7. Business transactions and financial statements

## **2. Accounting cycle for service-giving business**

- 2.1. Characteristics of an account
- 2.2. Classification of accounts
- 2.3. Chart of accounts
- 2.4. Rules of debit and credit
- 2.5. Normal balances of accounts
- 2.6. Analyzing and recording transactions
- 2.7. Preparing a trial balance
- 2.8. The usefulness and limitations of a trial balance
- 2.9. The adjusting process-accrual vs. cash basis of accounting
- 2.10. Preparing a worksheet
- 2.11. Preparing financial statements from a worksheet
- 2.12. Adjusting and closing entries
- 2.13. Post-closing trial balance

### **3. Accounting cycle for merchandising business**

- 3.1.Characteristics of merchandising business
- 3.2.Accounting for purchases of merchandises
- 3.3.Accounting for sales of merchandises
- 3.4.Merchandise transactions using perpetual and periodic inventory systems
- 3.5.Chart of accounts for a merchandising business
- 3.6.Financial statements for a merchandising business
- 3.7.Adjusting and closing entries for a merchandising business

### **4. Accounting for manufacturing businesses**

- 4.1.Characteristics of manufacturing business
- 4.2.Classification of manufacturing costs
- 4.3.Product costing systems
- 4.4.Chart of accounts for a manufacturing business
- 4.5.Recording the flow of costs through production process
- 4.6.Financial statements for a manufacturing business
- 4.7.Adjusting and closing entries for a merchandising business

### **5. Accounting Systems**

- 5.1.Manual and computerized Accounting systems
- 5.2.Subsidiary ledgers and controlling accounts
- 5.3.Special journals

### **6. Cash and Receivables**

- 6.1.Internal control over cash
- 6.2.Bank reconciliation
- 6.3.Petty cash and change funds
- 6.4.Classifications of receivables
- 6.5.Internal control of receivables
- 6.6.Accounting for uncollectible accounts
- 6.7.Accounting for notes receivable
- 6.8.Factoring Receivables
- 6.9.Presentation of cash and receivables on the balance sheet

#### **Text Book:**

- Fees and warren, **Accounting Principles**, 16<sup>th</sup> edition, South Western publishing Company. / Any recent edition/

#### **Reference Books**

- Smith, Keith & Stephens, Accounting Principles, 3rd edition and above, McGraw Hill book Company.1989 and beyond.
- Hermanson, Edwards and Salmonson, Accounting Principles, 4th ed., Richard D. Irwin, Inc. 1989.
- Larson, Kermit D., Fundamental Accounting Principles, 12th edition and above, Richard Irwin Inc., 1990 and beyond.
- Meigs Walter B., Accounting, The Basis for Business Decisions, 6th Ed and above, McGraw-Hill International Book Company, 1984 and beyond.
- Niswonger and Fees, Accounting Principles, South Western Publishing Company 10<sup>th</sup> – 13<sup>th</sup> Ed.

