

COURSE DESCRIPTION

Course Title	INTRODUCTORY ACCOUNTING			
Course Code	ABSA 101			
Course Type	Compulsory			
Level	BA (Level 1)			
Year / Semester	1 / Fall			
Teacher's Name	Dr Christos Minas / Dr Andreas Georgiou			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>The main purpose of the course is to provide students the basic principles underlying the recording of business transactions and the ability to prepare final accounts for sole traders. This module is fundamental in enabling students to pursue further modules in financial accounting.</p> <p>The course also aims to enable students to prepare accounts in a clear and systematic manner. Students will also be expected to deal with adjustments to accounts such as: accruals, prepayments, irrecoverable debts, allowance for receivables and depreciation.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> 1. Identify the basic principles underlying the recording of business transactions, that is double entry bookkeeping, and apply these principles. 2. Prepare financial statements for a sole trader involving end of the year adjustments. 3. Identify the basic principles underlying the recording special transactions (such as depreciation, irrecoverable debts and allowances for receivables) and apply these principles. 4. Explain the context and purpose of financial reporting. 5. Prepare a trial balance. 			
Prerequisites	None.	Co-requisites	None.	
Course Content	<ul style="list-style-type: none"> • Purpose and context of financial reporting: Explain the scope and purpose of financial reporting. Identify the sources of internal and external information provided by a business. Identify the users of 			

accounts (that is stakeholders in business organisations) and explain their needs.

- Accounting equation: Explain and demonstrate the basic accounting equation. Explain the main elements of financial statements.
- Accounting concepts and conventions: Explain and illustrate accounting concepts including amongst others: going concern, accruals, prudence and consistency. Identify and explain the qualitative characteristics of financial information.
- Double entry bookkeeping: as applied to: assets, liabilities, capital structure (including sales, purchases, expenses, tangible non-current assets, receivables, payables, capital structure and cash). Be able to balance off accounts. Identify books of prime entry. Discuss the need for the maintenance of accounting records. Identify sources of accounting information.
- Returns and carriage: Apply the accounting treatment of returns and carriage.
- Discounts: Distinguish between the accounting treatment of trade and cash discounts. Apply the accounting treatment of discounts.
- Trial balance: Explain the reason(s) for preparing a trial balance. Generate a trial balance from a list of ledger balances.
- The ledger and its possible sub-divisions: Contrast the distinction between personal, real and nominal accounts.
- Capital and revenue expenditure: Contrast and demonstrate the distinction between capital and revenue expenditure.
- Bank reconciliations: Explain the purpose of bank reconciliations. Identify the reasons for differences between the cash book and bank statement. Apply the correction of cash book errors or omissions. Prepare the bank reconciliation statement.
- Final Accounts: Identify the elements of final accounts and classify their components.
- Adjustments to the final accounts: Explain and apply adjustments to final accounts that include: adjustments for accruals, depreciation, prepayments, bad debts and the provision for bad debts.
- Preparing final accounts: From a trial balance with notes, prepare for sole traders the Statements of Profit or Loss (Trading and Profit and Loss Account) and Statement of Financial Position (Balance Sheet) after dealing with adjustments.
- Depreciation: Explain the purpose of depreciation. Calculate the depreciation expense using the straight line and reducing balance

	<p>methods. Extract the relevant ledger entries and final accounts extracts related to non-current assets and depreciation.</p> <ul style="list-style-type: none"> • Irrecoverable debts and the allowances for receivables: Explain the purpose of irrecoverable (bad) debts and allowances) for receivables (provision for bad debts). Calculate the increase/decrease in the provision. Prepare the relevant ledger entries and final account extracts related to irrecoverable debts and the allowances for receivables.
Teaching Methodology	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
Bibliography	<p><u>Textbooks:</u> F Wood and A Sangster, Business Accounting Volume I, 14th Edition, Pearson, 2018.</p> <p><u>References:</u> Pauline Weetman, Financial & Management Accounting: An introduction, 8th Edition, 2019, Pearson.</p> <p>BPP Learning Media, FIA Foundations of Financial Accounting FFA (ACCA F3): Interactive Text Paperback, 2019, BPP</p> <p>Kaplan Publishing, ACCA (INT) Financial Accounting (FA) Study Text, Latest Edition, Kaplan Publishing.</p>
Assessment	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves an online assignment (quiz), a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving numerical problems in financial accounting.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> • 86% or more – Excellent application of problem solving skills. • 76%-85% - Very good application of problem solving skills. • 66%-75% - Good application of problem solving skills. • 56%-65% - Satisfactory with some success in applying problem solving skills • 50%-55% -Satisfactory with limited success in applying problem solving skills • Below 50% -Little or no application of problem solving skills.

	<p><u>(c) Weights:</u></p> <ul style="list-style-type: none">• Assignment (online) 20%• Mid-term test 20%• Final exam 60%
Language	English.