



UNITED STATES INTERNATIONAL UNIVERSITY



SEMESTER:
COURSE: ACT 1010 PRINCIPLES OF ACCOUNTING 1
LECTURER :
LECTURE DAYS/ HOURS:
VENUE:
CREDIT UNITS: 3 HOURS
OFFICE HOURS:
CONTACT:
EMAIL:

1.0 COURSE DESCRIPTION

Study of the objectives of fundamental concepts of accounting; analyzing and recording financial transactions; preparation of income statements, the balance sheet and interpretation of financial income statements; analysis of assets, liabilities and equity; partnerships and corporations; cash flow analysis; and introduction to software applications in accounting.

PREREQUISITES: IST 0999 & MTH 1109

1.1 COURSE PURPOSE

This course is a foundation course that provides students with fundamental knowledge of accounting that involves analyzing and recording financial transactions; preparation of income statements, the balance sheet and interpretation of financial income statements; analysis of assets, liabilities and equity; partnerships and corporations; funds flow analysis; and introduction to software applications in accounting. This knowledge helps students appreciate the importance of accounting information in a business firm and helps to build a firm base for any subsequent study in the field of accounting and finance.

2.0 LEARNING OUTCOMES

2.1 UNIVERSITY MISSION

The mission of USIU is to promote the discovery and application of knowledge, the acquisition of skills, and the development of intellect and character in a manner that prepares

the students to contribute effectively and ethically as citizens of a changing and increasingly technological world

2.1.1 Link to the University Learning Outcomes

USIU mission outcomes include higher order thinking, literacy, global understanding and multi-cultural perspective, preparedness for career, leadership and ethics and community service. This course ensures that learners acquire critical thinking skills, appreciate the financial nature of businesses and prepare the learners to have basic understanding and application of the financial principles.

2.2 SCHOOL OF BUSINESS MISSION

The mission of the School of Business is to provide students with a range of knowledge, skills, and problem solving abilities to respond to the needs for successful management of business firms, government organizations, and other not-for-profit organizations in a changing transactional environment.

2.3 EXPECTED PROGRAM OUTCOMES

At the end of the B.SC program the students should have acquired knowledge and understanding that will enable them to prepare, analyze, and interpret financial statements correctly; audit financial statements and the underlying accounting systems, controls and records and evaluate the reports; identify, measure, gather, analyze, interpret and communicate financial and other types of information to management for planning, control, performance measurement and decision making related to pricing, operating and financing activities; identify and anticipate control risk both in manual and computerized accounting systems, and suggest and establish better controls to safeguard resources from risk exposures of illegal acts; analyze and design accounting information systems, and use computer applications in business transaction cycles; and pursue graduate studies and professional certification in Accounting Career Opportunities.

2.1.1 Link to the Chandaria School of Business Learning Outcomes

The Chandaria School of Business mission outcomes are linked to the university mission outcomes and include global orientation, multidisciplinary, problem solving, team player, effective communication, preparedness for career and transformational leadership. FIN 3010 is designed to contribute to achievement of three major mission outcomes including global orientation, problem solving and career preparedness.

3 EXPECTED COURSE OUTCOMES

At the end of this course the student should be able to:

- Explain the fundamental principles and concepts of accounting

- Record and analyze the financial transactions of a business firm
- Prepare and interpret the basic financial statements
- Account for cash and cash equivalents
- Account for receivables
- Account for inventories
- Account for tangible and intangible assets
- Account for current liabilities
- Account for equity capital
- Explain the merits and demerits of computerized accounting

4 COURSE CONTENT

WEEK 1-2:INTRODUCTION TO ACCOUNTING

Topic Learning Outcomes

AT the end of this topic the student should be able to:

- Explain the nature, purpose and objectives of accounting
- Identify the users of accounting information
- Explain the accounting equation
- Explain the accounting framework-fundamental accounting principles, conventions and concepts

Discussion Sub-Topics

- Purpose and objectives of accounting
- Users of accounting Equation
- The accounting framework
- Assignment/Activity: Class Discussion
- Course Texts
- Carl S. Warren, James M. Reeve & Phillip E. Fess: Accounting, Chapter 1, pp2-22
- Frank Wood, Allan Sangster: Business Accounting, Chapter 1, pp3-4

WEEK 3-4: THE ACCOUNTING CYCLE OF A BUSINESS

Topic Learning Outcomes

At the end of this topic the student should be able to:

- Explain business financial transactions
- Explain the various books of original entry
- Explain the meaning and purpose of journalizing and posting
- Make journal entries in the firm's books of original entry
- Post journal entries in the ledger
- Extract a trial balance from the ledger

- Prepare an adjusted trial balance
- Prepare year-end adjustments
- Prepare the basic financial statements
- Prepare nominal and real accounts

Discussion Sub-Topic

- Business financial transactions
- Journal Entries
- Ledger Entries
- Extraction of the Trial and Adjusted Balance Sheet
- Year-End Adjustments
- Preparation of Income Statement and Balance Sheets

Assignment/Activity-Class Discussion

Course Texts

- Ibid: Relevant Chapters

Assignment

WEEK 5: ACCOUNTING FOR CASH

Topic Learning Outcomes

At the end of this topic the student should be able to:

Identify the various types of cash

- Evaluate the cash control systems of a business firm
- Evaluate the petty cash system
- Prepare a bank reconciliation statement

Discussion Sub-Topics

Meaning of Cash and Cash equivalents

- Cash Controls
- Petty Cash System
- Bank Reconciliation statements

Assignment/activity

Course Texts

Ibid, Relevant Chapters

WEEK6: ACCOUNTING FOR RECEIVABLES (DEBTORS)

Topic Learning Outcomes

At the end of this topic the student should be able to:

- Identify types of receivable

- Evaluate the internal controls for receivable
- Discounts, returns, provisions for bad and doubtful and bad debts
- Make entries for receivables

Discussion Sub-topics

Types of receivables

- Internal Control for receivables
- Discounts, Returns for bad and doubtful debts
- Journal Entries for Receivable

Assignment/Activity

- Class discussions

WEEK 7: MID-SEMESTER EXAMINATION

WEEK 8: ACCOUNTING FOR INVENTORIES (STOCKS)

Topic Learning Outcomes

After reading this chapter the student should be able to:

- Identify the different types of inventories
- Show inventories in the balance sheet
- Differentiate between the periodic and inventory systems
- Evaluate the various methods of recording inventory
- Make entries for inventory items
- Compute the inventory value under the various inventory methods
- Explain concept of Just-In-Time systems

Discussion Sub-Topics

Types of inventories

- Inventories in the balance sheet
- Inventory Valuation Systems
- Inventory Valuation Methods
- Entries for inventory items
- Just-In –Time

Assignment /Activity

Course Texts: Ibid

WEEK9-10: ACCOUNTING FOR FIXED ASSETS

7.6.1 Topic Learning Outcomes

After reading this topic the student should be able to:

- Identify the various categories of fixed assets
- Show presentation of fixed assets in balance sheet

- Compute the depreciable cost of fixed assets
- Compute depreciation of fixed assets under different depreciation methods
- Make appropriate entries for depreciation
- Identify the various types of intangible assets
- Compute value of goodwill
- Make appropriate entries for fixed assets

Discussion Sub-Topics

- Classification of fixed assets
- Fixed assets in balance sheet
- Depreciable cost of intangible assets
- Intangible assets
- Depreciation and amortization
- Entries for fixed assets

Assignment/Activity

Course Texts

- Ibid -Relevant Chapters

WEEK 11: ACCOUNTING FOR CURRENT LIABILITIES

Topic -Learning Objectives

At the end of this topic the student should be able:

- Identify the various types of liabilities
- Show presentation of liabilities in the balance sheet
- Make entries for liabilities
- Evaluate the control system for liabilities
- Evaluate system for payment for liabilities

Discussion Sub-Topic

- Categorization of liabilities
- Presentation of liabilities in balance sheet
- Short-term liabilities
- Long-term liabilities
- Entries for liabilities

Assignment/activity

Course Texts

- Ibid- Relevant chapters

WEEK 12-13: ACCOUNTING FOR SHAREHOLDERS EQUITY

Topic-Learning Outcomes

At the end of this topic the student should be able to:

- Identify the components of equity capital

- Explain basic differences between proprietorship, partnership and corporation
- Show presentation of owner's equity in balance sheet
- Make journal entries of equity capital
- Explain effect of profits/losses on equity capital
- Explain flow of funds in a business firm
- Explain effect of profit/losses on equity
- Make entries for profits/losses

Discussion Sub-Topic

- Components of equity capital
- Equity presentation in balance sheet
- Equity for proprietor, partnership, and corporation
- Appropriation of surplus/deficit retained
- Effect of retained profits/losses on equity
- Entries for equity capital

Assignment/Activity

Course Texts

- Ibid-Relevant chapters

WEEK 14: FINAL EXAMINATION

TEACHING METHODOLOGY

The course will be conducted mainly by way of lectures, class discussions and problem solving session

COURSE TEXTS

Carl S. Warren, James M. Reeve & Phillip E Fess: Accounting, Chapter1, pp2-21

Frank Wood, Allan Sangster: Business Accounting, Chapter 1, pp3-4

CLASS ATTENDANCE

Class attendance is a basic requirement. A student who misses more than five classes will get an automatic ‘ F ’ grade irrespective of class performance

COURSE EVALUATION

The students will be evaluated on the basis of the following:

Class Attendance	05%
Class Participation	05%
Take Home assignments	30%
Mid-Semester Examination	30%

Final Examination	<u>30%</u>
TOTAL	<u>100%</u>

GRADING

<u>Score %</u>	<u>Letter Grade</u>
90-100	A
87-89	A-
84-86	B+
80-83	B
77-79	B-
74-76	C+
70-73	C
67-69	C-
64-66	D+
62-63	D
60-61	D-
0-59	F

GRADE INTERPRETATION

Grades are classified under four broad categories as follows:

A: Superior. The student has demonstrated a quality of work and accomplished far beyond the formal requirements and shows originality of thought and mastery of material

B: Above Average. The student's achievements exceed the usual accomplishment, showing clear indication of initiative and grasp of subject

C: Average. The student has met the formal requirements and has demonstrated good comprehension of the subject and a reasonable ability to handle ideas

D: Below Average. The student's accomplishment (while still passing) leaves much to be desired. The student has not met the minimum requirements.

F: Failure. The student has not met the minimum requirements

HONOURS CATEGORIES

The honours are classified under the following categories:

GPA	HONOURS CATEGORY
3.90-4.0	Summa cum Laude
3.70-3.89	Magna cum Laude
3.50-3.69	Cum Laude