

University of the Punjab
Course outline

Associated Degree in Commerce (Specialization in Accounting & Finance)

Semester	1		
Course Name	Fundamentals of Financial Accounting		
Course Code	ADC 301		
Credit Hours	4		
Prerequisites	The course is recommended for students with little or no prior background in financial accounting that want to improve their financial literacy. There are no academic prerequisites for the course. Although we will work with numbers in the course, the only required math knowledge is addition, subtraction, multiplication, and division.		
Follow Up	Advanced Financial Accounting		
Subject Objective	<p>This course will introduce the students to the key concepts of Accounting. After taking this course, you will be able to Understand the nature of accounting, elements of accounts and double entry rules.</p> <ul style="list-style-type: none"> • Identify financial transactions and make journal entries. • Prepare general ledger accounts and a trial balance. • make period end adjustments prior to the completion of financial statements • prepare basic financial statements 		
Teaching Strategies	<p>e.g.</p> <ol style="list-style-type: none"> i. Lectures ii. Handouts iii. Group discussions iv. Class-room presentations v. Projects and term paper vi. Quizzes vii. Case study, reading assignment 		
Assessment Criteria	Mid-term		Final Examination
	(Assessment by respective College)		(Assessment by University of the Punjab)
	40 %		60 %
	Quizzes and Tests, Assignment and Presentations, Viva, Attendance, Class Participations and discipline etc.	Written Paper	Written Paper

Weekly Lecture Plan

Weeks	Topics Covered	Detail
1	Basic accounting Structure	<ol style="list-style-type: none"> 1. Explain what accounting is. 2. Identify the users and uses of accounting 3. Understand why ethics is a fundamental business concept. 4. Explain accounting standards and the measurement principles. 5. Explain the monetary unit assumption and the economic entity assumption.
2	The Accounting Equation	<ol style="list-style-type: none"> 1. State the accounting equation, and define its components. 2. Analyze the effects of business transactions on the accounting equation
3	The Recording Process	<ol style="list-style-type: none"> 1. Explain what an account is and how it helps in the recording process. 2. Define debits and credits and explain their use in recording business transactions. 3. Identify the basic steps in the recording process.
4	The Recording Process	<ol style="list-style-type: none"> 4. Explain what a journal is and how it helps in the recording process. 5. Explain what a ledger is and how it helps in the recording process. 6. Explain what posting is and how it helps in the recording process. 7. Prepare a trial balance and explain its purposes.
5	Books of Prime Entry	<ol style="list-style-type: none"> 1. Understand the use of business documents as source of information 2. Describe the basic contents of the sales day book and the customer/ debtors ledger 3. Record entries in the sales day book and the customer/debtors ledger 4. Describe the basic contents of the purchase journal and purchase ledger/creditors ledger 5. Record entries in the purchase journal and purchase ledger/creditors ledger.
6	The Adjusting Process of Accruals and prepayments	<ol style="list-style-type: none"> 1. Explain the time period assumption. 2. Explain the accrual basis of accounting. 3. Prepare adjusting entries for prepayments. 4. Prepare adjusting entries for accruals. 5. Explain the reasons for adjusting entries. 6. Describe the nature and purpose of an adjusted trial balance.
7	Depreciation on Fixed Assets	<ol style="list-style-type: none"> 1. Explain nature of depreciation expense and accumulated depreciation 2. Calculate depreciation expense using straight line, diminution balance, sum-of-digits and number of units produced methods 3. Post journal entry to record depreciation expense
8	Allowance for Bad Debts and Write Off	<ol style="list-style-type: none"> 1. Estimate allowance for bad debts based on a given policy 2. Post journal entry to record bad debt expense

		3. Compute and record write off and understand its impact on allowance for bad debts
9	Completing The Accounting Cycle	4. Prepare a worksheet. 5. Explain the process of closing the books. 6. Describe the content and purpose of a post-closing trial balance.
10	Completing The Accounting Cycle	7. State the required steps in the accounting cycle. 8. Explain the approaches to preparing correcting entries. 9. Identify the sections of a classified statement of financial position.
11	Bank reconciliation and related adjustments	1. Understand the need of bank reconciliation 2. Identify the main reason for difference between the cash book and bank statements 3. Prepare a bank reconciliation statement in the circumstances of simple and well explained transactions 4. Correct cash book errors and post journal entries after identifying the same in the bank reconciliation statements
12	Control accounts - Reconciliation and adjustments	1. Understand the mapping between the control accounts and subsidiary ledgers for account receivables and account payables 2. Prepare control account and subsidiary ledgers from well explained information provided
13	Control accounts - Reconciliation and adjustments	3. Perform control accounts reconciliation of the account receivable and account payable 4. Identify error after performing reconciliation 5. Identify and correct error in the control account and subsidiary ledger
14	Correction of errors in record keeping	1. Identify the type of error which may occur in a record keeping system 2. Calculate and understand the impact of error on the financial statement within a Trial Balance
15	Correction of errors in record keeping	3. Calculate and understand the impact of error on the financial statement within on financial statements. 4. Prepare journal entries to correct error that have occurred within a reporting period.
16	Receipt and payment accounts	1. Understand the need for the receipt and the payment account 2. Prepare simple receipt and payment account from the information

Primary Recommended Book	<ul style="list-style-type: none"> • Introduction to Accounting – Study Text ICAP • Business Accounting I By Frankwood.
Additional Books	<ul style="list-style-type: none"> • Financial Accounting, IFRS Edition: 1st Edition by Jerry J. Weygandt, Paul D. Kimmel, Donald E. Kieso