

**Code: ACC-111**

**Title: Principles of Accounting**

**Credit Hours: 03**

**Course Objectives:**

The objective of the course is to provide an introductory knowledge of accounting to first-year students from a wide range of disciplines. While a general overview of accounting principles relating to the preparation of financial and managerial reports will be presented, the primary focus is to illuminate how accounting information is utilized by a variety of stakeholders in planning, controlling and investing decisions.

**Course Contents**

**Introduction to Principles of Accounting**

Definition of terms such as business, accounting, transaction, bookkeeping, capital, assets, liabilities, income, expenses and profit, Types of business activities: trading, manufacturing and provision of services, Types of business organizations: -sole proprietors such as vendors, small to medium enterprises -partnerships -limited companies, Importance of accounting, Users of accounting information such as households, managers, banks and proprietors.

## **Accounting Cycle**

Accounting cycle: transactions, source documents, subsidiary books, ledger, trial balance, financial statements

## **Data Processing Methods**

Manual method, Electronic method

## **Source Documents**

Source documents and their significance: receipts, cheques, invoices, debit notes, credit notes, vouchers, bank statements, statements of account

## **Subsidiary Books**

Subsidiary books: 2 column cash book, sales journal, purchases journal, sales returns journal, purchases return journal, interpretation of entries in the subsidiary books, Use of books of original entry: 3 column cash book, general journal, petty cash book, Interpretation of entries in subsidiary books, Use of the general journal, Interpretation of entries in the general journal

## **Ledger**

Classification of entries, posting and balancing ledger accounts, interpreting ledger accounts, Classification, posting and balancing ledger accounts, Use of folio numbers, Types of ledgers and the ledger accounts, Interpretation of ledger accounts

## **Trial Balance and Errors**

Trial balance: purpose and preparation, Trial balance and errors: purpose, preparation, and errors, Correction of errors, Suspense account, Correction of the trial balance, Effect of errors on profit, Adjustments on gross and net profit, Revised statements of - Profit - financial position (extracts)

## **Accounting Concepts**

Concepts: matching/ accrual, prudence, going concern, consistency, historical cost, double entry

## **End of Year Financial Statements**

Income statement, Statement of financial position, Interpretation of financial statements

## **End of Year Adjustments**

Prepayments and accruals: for income and expenses, Depreciation: causes and methods, reducing balance method, straight line method, revaluation method, Closing entries, Disposal of non-current assets, Provisions for: doubtful debts, discounts allowable

## **Recommended Books:**

- Jerry J. Weygandt, Donald E. Kieso, Paul D. Kimmel. (2007). Accounting Principles, 8th Edition Published by Wiley.
- Leiwy, D. and R. Perks (2013). Accounting: Understanding and Practice (Maidenhead: McGraw-Hill) Fourth Edition.

- **Tyler, J. Godwin, N. and Alderman, C. W. ACCT2 Financial, 2nd Asia-Pacific Edition, Cengage Learning, Australia.**
- Wood, F., Sangster, A. (2008). Business Accounting (11th ed.). Edinburgh: Prentice Hall.
- Wan, M. W. I., Palil, M. R. (2014). Fundamentals of Business Accounting (2nd ed.). Oxford University Press