

Module	Financial Accounting
Course code	BABSH-FA
Credits	10
Important notes	This module is available for year abroad students only.
Allocation of marks	20% Continuous Assessment 80% Final Examination

Intended Module Learning Outcomes

On successful completion of this module, the learner will be able to:

1. Describe the role and principles of financial accounting and reporting
2. Identify the users of financial reports and discuss their information needs
3. Define the qualitative characteristics of financial information
4. Demonstrate the practice of double-entry bookkeeping through recording transactions and events
5. Select and apply the correct accounting treatments for current and non-current assets and liabilities, revenue, expenses and equity
6. Prepare and present basic financial statements for incorporated and unincorporated entities in accordance with current international standards
7. Prepare and interpret statements of cash flows
8. Analyse and interpret financial statements

Module Objectives

This module introduces learners to basic theoretical and practical accounting concepts, and explains how they apply to business entities. Specifically, the module is designed to ensure learners understand the importance of financial and accounting principles and can relate them to how businesses manage cash and other financial transactions. The module develops the learner's ability to prepare, analyse and report on financial statements for different entities.

Module Curriculum

Context and purpose of financial reporting

- Nature, principles and scope of accounting and its limitations
- The role of financial accounting, management accounting, financial management and auditing
- Characteristics of useful information, problems associated with its production, user groups of this financial information.
- Terminology, concepts and conventions.
- Theory of double entry and underlying assumptions
- The accounting equation
- Types of business entities

- Forms of capital and capital structures

Accounting Records, Procedures and Systems

- Techniques of double-entry bookkeeping
- Books of prime entry
- Ledgers (Personal Ledgers and Nominal Ledgers)
- Control accounts
- Journals
- Recording transactions and events:
 - Capital and Revenue Expenditure.
 - Inventory
 - Tangible non-current Assets and Depreciation.
 - Bad Debts, Bad Debt Provision
 - Bank Reconciliation
 - Suspense account and the correction of errors
 - Reserves and Provisions
 - Accounting for Accruals, Prepayments and Adjustments
 - Trial Balance

Preparing basic Financial Statements

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Financial Reporting for Different Entities (incorporated and unincorporated entities)
- Financial statements from incomplete records

Analysis and interpretation of financial statements

- Definition, calculation and interpretation of basic financial ratios
- Significance and limitations of financial ratios

Statement of Cash Flows

- The underlying rationale for cash flow statements
- Preparation of cash flow statements in compliance with International Accounting Standard 7