



# University of Management and Technology

## **School of Business and Economics**

**Course Title: Fundamentals of Accounting**  
**Course Code: AC-125**  
**Resource Person:**  
**Department: Finance**

### **SBE Vision**

SBE envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. SBE will lead by providing professionally competent and ethically conscious human resources engaged in the global and local context to foster socio-economic growth and sustainability for the society. SBE envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **SBE Mission**

Being a research-oriented and student-centric business school, we emphasize research publications in impact journals as well as state-of -the-art learning methodologies. We will prepare our students to become the future ethical business leaders and the guiding post for the society, while equipping them with the knowledge and skills required by world-class professionals. We will be the leading choice for organizations seeking highly talented human resource. SBE will foster internationalization with key stakeholders and actively work to exchange best practices with business schools across Pakistan through collaborations, workshops, conferences and other means.

### **Program Objectives**

Critical Thinking and Decision Making; Effective Communication Skills; Ethics and Sustainability; Core Business Knowledge and Competence; Effective Teamwork and Leadership Skills; Global Perspective (Internationalization).

## **Course Objectives**

The business environment is changing fast. A shift towards computers and importance of global business activity demands an in-depth and precise understanding of accounting standards and procedures to help the future managers to cope with any challenges realising the importance of technology in the emerging business environment. Financial accounting and reporting serves the needs of the government, shareholders, capital markets and banks. This course will enable the participants to learn accounting principles about book keeping, preparation of financial statements and certain classified accounting methods. This course has been designed not only to cover accounting topics relating to financial reporting issues but also to serve as a base for all finance related courses in future.

## **Learning Objectives**

- ⇒ Explaining the purpose and role of accounting.
- ⇒ Explaining the need and purpose of major financial statements.
- ⇒ Preparing the income statement and balance sheet, and interpreting the information that they contains for decision making purpose.
- ⇒ Develop skills in the students to identify and develop opportunities to add value to the organization through improved and sustainable professional financial accounting practices and ethics.
- ⇒ Use of cash flow statement in future decision-making.
- ⇒ Understanding the accounting principles involved in issuance share capital and dividends.
- ⇒ Analyzing the annual report of a corporation by using different analytical tools.
- ⇒ Using Generally Accepted Accounting Principles (GAAP) and Internationalization of accounting practices in different areas of corporate accounting.

## **Learning Outcomes**

By the end of the course the students should be able to:

- ⇒ Recognize and discuss the major users of financial statements.
- ⇒ Explain the social, institutional and regulatory environment of corporate accounting.
- ⇒ Use Journals, ledgers and trial balance to accumulate corporate information.
- ⇒ Prepare and analyze three major financial statements.
- ⇒ Explain the current trends and pressures presently faced by financial reporting practice.

## **Teaching Methodology (List methodologies used –example are given below)**

The resource person shall explain and discuss a topic in accordance with course outline & students shall be asked to solve various exercises, problems & cases based on those discussions. Guidance in this respect will be provided by the instructor in and outside the class during counseling hours.

**STUDENTS ARE REQUIRED TO READ AND UNDERSTAND ALL ITEMS OUTLINED IN THE PARTICIPANT HANDBOOK**

## **Class Policy:-**

- **Be On Time**  
You need to be at class at the assigned time. After 10 minutes past the assigned time, you will be marked absent.
- **Mobile Policy**  
**TURN OFF YOUR MOBILE PHONE!** It is unprofessional to be texting or otherwise.
- **Email Policy**  
**READ YOUR EMAILS!** You are responsible if you miss a deadline because you did not read your email. Participants should regularly check their university emails accounts regularly and respond accordingly.
- **Class Attendance Policy**  
A minimum of 80% attendance is required for a participant to be eligible to sit in the final examination. Being sick and going to weddings are absences and will not be counted as present. You have the opportunity to use 6 absences out of 30 classes. Participants with less than 80% of attendance in a course will be given grade 'F' (Fail) and will not be allowed to take end term exams. International students who will be leaving for visa during semester should not use any days off except for visa trip. Otherwise they could reach short attendance.
- **Withdraw Policy**  
  
Students may withdraw from a course till the end of the 12th week of the semester. Consequently, grade W will be awarded to the student which shall have no impact on the calculation of the GPA of the student. A Student withdrawing after the 12th week shall be automatically awarded "F" grade which shall count in the GPA.
- **Moodle**  
UMT –LMS (Moodle) is an Open Source Course Management System (CMS), also known as a learning Management System (LMS). Participants should regularly visit the course website on MOODLE Course Management system, and fully benefit from its capabilities. If you are facing any problem using moodle, visit <http://oit.umt.edu.pk/moodle>. For further query send your queries to [moodle@umt.edu.pk](mailto:moodle@umt.edu.pk)
- **Harassment Policy**  
Sexual or any other harassment is prohibited and is constituted as punishable offence. Sexual or any other harassment of any participant will not be tolerated. All actions categorized as sexual or any other harassment when done physically or verbally would also be considered as sexual harassment when done using electronic media such as computers, mobiles, internet, emails etc.
- **Use of Unfair Means/Honesty Policy**  
  
Any participant found using unfair means or assisting another participant during a class test/quiz, assignments or examination would be liable to disciplinary action.
- **Plagiarism Policy**  
  
All students are required to attach a "Turnitin" report on every assignment, big or small. Any student

who attempts to bypass “Turnitin” will receive “F” grade which will count towards the CGPA. The participants submit the plagiarism report to the resource person with every assignment, report, project, thesis etc. If student attempts to cheat “Turnitin”, he/she will receive a second “F” that will count towards the CGPA. There are special rules on plagiarism for final reports etc. all outlined in your handbook.

- **Communication of Results**

The results of quizzes, midterms and assignments are communicated to the participants during the semester and answer books are returned to them. It is the responsibility of the course instructor to keep the participants informed about his/her progress during the semester. The course instructor will inform a participant at least one week before the final examination related to his or her performance in the course.

## Course Outline

Course code: AC-125

Course title: Fundamentals of Accounting

Program	Synergy
Credit Hours	3
Duration	15 Weeks/30 sessions
Prerequisites (If any)	NA
Resource Person Name and Email	
Counseling Timing (3N-11 Room#5)	TBD
Contact no.	
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	NA

**Chairman/Director Program signature.....Date.....**

**Dean's signature.....Date.....**

## **Grade Evaluation Criteria**

Following is the criteria for the distribution of marks to evaluate final grade in a semester.

### **Marks Evaluation**

### **Marks in percentage**

Quizzes	20 %
Assignments	10 %
Mid Term	30 %
Final exam	40%
Total	100 %

### **Recommended Text Book:**

Financial & Managerial Accounting

Jerry J. Weygandt PhD, CPA

Paul D. Kimmel PhD, CPA

Donald E. Kieso PhD, CPA

### **Reference Books:**

Accounting

Warren, Reeve & Fees

### **Other Readings:**

Business Accounting by Frank wood (Volume 1)

Modern Accounting by Mukherjee (Volume 1)

**Course: Fundamentals of Accounting-Course code: AC-125 Book: Financial and Managerial Accounting**

No	Topics to be covered in the course	Learning Objective of this topic	Expected Outcomes from Students	Teaching Method	Assessment Criteria	Deadlines and Homework
1-2	<ul style="list-style-type: none"> <li>⇒ General Business Environment; Local&amp; International</li> <li>○ Sole Proprietorship</li> <li>○ Partnership</li> <li>○ Corporations</li> <li>⇒ Concept &amp; Characteristics of Business Transactions</li> <li>⇒ Nature or Kinds of Businesses                             <ul style="list-style-type: none"> <li>○ Merchandizing/Trading</li> <li>○ Manufacturing</li> <li>○ Services</li> </ul> </li> <li>⇒ Definition &amp; Purpose of Accounting                             <ul style="list-style-type: none"> <li>○ Identifying</li> <li>○ Classifying</li> <li>○ Recording</li> <li>○ Summarizing</li> <li>○ Interpretation</li> </ul> </li> <li>⇒ Types of Accounting                             <ul style="list-style-type: none"> <li>○ Financial Accounting</li> <li>○ Cost Accounting</li> <li>○ Management Accounting</li> </ul> </li> <li>⇒ Ethics in Accounting</li> <li>⇒ Financial Reporting Process</li> <li>⇒ Overview of IFRS</li> <li>⇒ Financial Statements                             <ul style="list-style-type: none"> <li>○ Balance Sheet- Measuring Financial Position</li> <li>○ Income Statement- Measuring Financial Performance</li> <li>○ Statement of Owners Equity</li> </ul> </li> </ul>	<p>Preliminary introduction to contemporary business environment, business types and accounting.</p>	<p>After this lecture students should be well familiar with need and purpose of accounting function in an organization.</p>	<p>Lecture and Handouts</p>	<p>Assignment</p>	<p>Within a week</p>

	<ul style="list-style-type: none"> <li>○ Statement of Cash Flows</li> <li>⇒ Annual Reports of Listed Companies</li> <li>⇒ Users of Financial Statements and their specific needs</li> <li>○ Internal Users</li> <li>○ External Users</li> </ul>					
3-4	<ul style="list-style-type: none"> <li>⇒ Accounting Terminologies <ul style="list-style-type: none"> <li>○ Assets, Liabilities and Equity</li> <li>○ Expenses &amp; Revenues</li> <li>○ Accounting Equation</li> <li>○ Depreciation</li> <li>○ A/R, A/P, N/R, N/P</li> <li>○ Liquidity and Solvency</li> <li>○ Cash Vs. Credit Transactions</li> <li>○ Credit Terms &amp; Cash Discount</li> <li>○ Merchandize Inventory</li> <li>○ Residual Claim in case of Equity</li> </ul> </li> <li>⇒ Cash Vs. Accrual System of Accounting</li> <li>⇒ Manual Vs. Computerized Accounting systems</li> <li>⇒ Internal Controls within Organizations</li> <li>⇒ Audits of Financial Statements</li> </ul>	Defining fundamental accounting definitions and terminologies.	After this lecture students should be able to understand and apply basic accounting terminologies.	Lecture and Handouts	Assignment	Within a week
5-6	<ul style="list-style-type: none"> <li>⇒ Accounting / Business Entity Concept</li> <li>⇒ Going Concern Concept</li> <li>⇒ Money Measurement Concept</li> <li>⇒ Accounting Period Concept</li> <li>⇒ Historical Cost Concept</li> <li>⇒ Realization Principle</li> <li>⇒ Matching Principle</li> <li>⇒ Objectivity</li> <li>⇒ Materiality</li> <li>⇒ Consistency</li> <li>⇒ Disclosure</li> <li>⇒ Conservatism</li> </ul>	Introduction to GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAPs) and Internationalization of accounting practices.	After this lecture students should have comprehensive knowledge of GAAP principles and their application in accounting framework.	Lecture and Handouts	Presentation	Within a week



	<ul style="list-style-type: none"> <li>⇒ Internationalization and harmonization of financial accounting standards</li> <li>⇒ IFRS and standardized International accounting Practices</li> </ul>					
7-8-9-10	<ul style="list-style-type: none"> <li>⇒ Accounting Equation</li> <li>⇒ Double Entry System</li> <li>⇒ Accounting Cycle</li> <li>⇒ Categories &amp; Title of Accounts</li> <li>⇒ Creating Charts of Accounts</li> <li>⇒ Rules of Debit &amp; Credit</li> <li>⇒ Single Entry Vs. Double Entry</li> <li>⇒ Recording of Transactions; Journal</li> <li>⇒ Posting of Transactions; Ledger Summarization; Trial Balance</li> </ul>	Recoding business transactions.	Students should be able to record business transactions in accounting books.	Lecture and Problem sets	Quiz + Assignment	Within a week
11-12-13-14-15	<ul style="list-style-type: none"> <li>⇒ Revenue and Expense Measurement and Recognition</li> <li>⇒ Concept of Net Income</li> <li>⇒ Income Statement</li> <li>⇒ Accounting for Dividends and Retained Earnings</li> <li>⇒ Operating Cycle</li> <li>⇒ Depreciation</li> <li>⇒ Investments &amp; Withdrawals by owner</li> <li>⇒ Statement of Owners Equity</li> <li>⇒ Balance Sheet</li> <li>⇒ Articulation of Financial Statements</li> <li>⇒ Notes to the Accounts</li> <li>⇒ Disclosure requirements</li> <li>⇒ Some popular Ratios</li> </ul>	Review of Financial Statements: Income statement and Balance Sheet	Students should be able to prepare Income statement and Balance sheet.	Lecture and Problem sets	Quiz +Assignment	
16	NA	NA	NA	NA	Mid-term Exam	NA

17 18	<ul style="list-style-type: none"> <li>⇒ Concept &amp; Purpose of Adjustments</li> <li>⇒ Adjusting Entries; Categories &amp; Examples</li> <li>⇒ Adjusted Trial Balance</li> <li>⇒ Post Adjustments Financial Statements:</li> <li>⇒ Classified Income Statement and Balance Sheet</li> </ul>	Inception of the adjusting process after completions of accounting cycle.	Students should be able to prepare adjusted accounts and financial statements.	Lecture and Problem sets	Quiz + Assignment	Within a week
19	<ul style="list-style-type: none"> <li>⇒ Sustainability Accounting</li> <li>⇒ Corporate Sustainability Reporting</li> <li>⇒ Triple bottom line accounting</li> <li>⇒ Corporate social responsibility</li> </ul>	Establishing the need and purpose for triple bottom line accounting framework.	Students should be aware of the environmental and social concern alongside with conventional financial performance perspective.	Lecture and Case	Presentation	Within a week
20	<ul style="list-style-type: none"> <li>⇒ <i>Cash Management</i></li> <li>⇒ <i>Teeming and lading</i></li> <li>⇒ <i>Bank Reconciliation Statements</i></li> <li>⇒ <i>Marketable Securities</i></li> </ul>	Cash and Short-term Investments	Students should be able to prepare cash flow and Bank Reconciliation Statements.	Lecture and Problem sets	Quiz + Assignment	Within a week
21	<ul style="list-style-type: none"> <li>⇒ Uncollectible Allowance for Bad Debts</li> <li>⇒ Management of Accounts Receivable</li> <li>⇒ Factoring Accounts Receivable</li> <li>⇒ Evaluation of Quality of Accounts Receivable</li> <li>⇒ Balances of A/R</li> </ul>	Account Receivable Management	Students should be familiar with major types of accounts receivable and their accounting treatment.	Lecture and Problem sets	Quiz + Assignment	Within a week
22 23 24 25	<ul style="list-style-type: none"> <li>⇒ Operation of Merchandizing Companies</li> <li>⇒ Perpetual Inventory System</li> <li>⇒ Periodic Inventory System</li> </ul>	Merchandising and Inventory Management	Students should be familiar with major types of Inventories and	Lecture and Problem sets	Quiz + Assignment	Within a week

	<ul style="list-style-type: none"> <li>⇒ Transaction relating to Purchases</li> <li>⇒ Transaction relating to Sales</li> <li>⇒ Evaluating the Performance using Profit Margins</li> <li>⇒ Income Statement and Balance Sheet of Merchandising Company</li> <li>⇒ Flow of Inventory Cost</li> <li>⇒ Inventory Valuation Methods</li> <li>⇒ Taking the physical Inventory</li> <li>⇒ Recording of Inventory Losses</li> <li>⇒ Inventory Turn Over Calculation</li> <li>⇒ Just in time Inventory System(JIT)</li> <li>⇒ Impact of Inventory Methods on Ratio Analysis</li> </ul>		accounting methods to record inventories.			
26 27	<ul style="list-style-type: none"> <li>⇒ Major categories of Fixed Assets</li> <li>⇒ Acquisition &amp; Cost determination</li> <li>⇒ Disposal of Fixed Assets</li> <li>⇒ Depreciation; Treatment &amp; Methods</li> <li>⇒ Disclosure in Financial Statements</li> </ul>	Fixed Assets	Students should learn the major types of fixed assets and their accounting disclosures.	Lecture and Problem sets	Assignment	Within a week
28	<ul style="list-style-type: none"> <li>⇒ Categories of Intangible Assets</li> <li>⇒ Characteristics of IA</li> <li>⇒ Process of Amortization</li> <li>⇒ Disclosure in Financial Statements</li> <li>⇒ Accounting for Natural Resources</li> <li>⇒ Depreciation Vs. Amortization Vs. Depletion</li> </ul>	Intangible Assets	Students should learn the major types of intangible assets and their relevant importance in financial statements.	Lecture and Problem sets	Assignment	Within a week

29	<ul style="list-style-type: none"> <li>⇒ Treatment of A/P &amp; N/P</li> <li>⇒ Current Portion of Long Term Debts</li> <li>⇒ Disclosure in Financial Statements</li> <li>⇒ Bonds Payable; Treatment &amp; Disclosure</li> <li>⇒ Contingencies &amp; Commitments</li> <li>⇒ Computerized Accounting</li> </ul>	Liability management	Students should be able to learn the accounting disclosure of current and fixed liability accounts.	Lecture and Problem sets	Assignment	Within a week
30	Revision of the course	NA	NA	NA	NA	NA