



# University of Management and Technology

## **Dr Hasan Murad School of Management (HSM)**

**Course Title: Financial Accounting**

**Course Code: AC-525**

**Resource Person:**

**Department: Banking and Finance**

### **HSM Vision**

HSM envisions its success in the sustainable contribution that it will make to the industry, academia and research in public and private sector. HSM 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. HSM envisages having faculty with high research potential and a deep desire for cutting edge research including collaboration with national and international partners.

### **HSM 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. HSM 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**

- To hone participants' abilities through a well-developed and diversified program designed to equip graduates with essential leadership skills.
- To develop participants' expertise in order to increase their resourcefulness in better decision-making.
- To prepare participants for steering an organization through the difficult and turbulent global and domestic environment and enable the development of an implementable strategic business plan that not only addresses the financial but social and environmental issues as well.
- To produce students who have well-rounded entrepreneurial skills - who not only have great ideas, but can also make things happen by starting their own ventures.
- To enhance the proficiency of the students and groom them to deal with the complex business situations.

## 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 realizing the importance of technology in the emerging business environment. Financial accounting and reporting serves the needs of the government, shareholders, capital markets and banks, and 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. Management Accounting is the “Process of identifying, measuring, accumulating, analyzing, preparing, interpreting and communicating information to help the managers to fulfill organizational objectives”.

## Learning Objectives

- ⇒ The participants must fully comprehend the need and importance of primary financial statements
- ⇒ 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) in different areas of corporate accounting.
- ⇒ Analyzing the **Internationalization** and harmonization of financial accounting standards.
- ⇒ To develop comprehensive understanding about the importance of **Ethics** in Accounting.
- ⇒ To Develop and utilize accounting information for strategic decision-making.
- ⇒ To Learn about **Sustainability Accounting, Corporate Sustainability Reporting** and Triple Bottom line Accounting.

## Learning Outcomes

Ability to understand

- ⇒ the definition & purpose of Financial Accounting
- ⇒ Financial Reporting Process
- ⇒ The structure and preparation of corporate Financial Statements
- ⇒ Generally Accepted Accounting Principles (GAAP)
- ⇒ Decision making process in the field of accounting and finance

## Teaching Methodology

Class discussions from prescribed readings,

Problem Solving

Applications of concepts using case study analysis wherever required

# **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.

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### 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.

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### 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-525

Course title: Financial Accounting

Program	MBA
Credit Hours	3
Duration	15 Weeks/30 Sessions
Prerequisites (If any)	None
Resource Person Name and Email	
Counseling Timing (Room# 7 )	
Contact no.	
Web Links:- (Face book, Linked In, Google Groups, Other platforms)	NA

**Chairman/Director Programme 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.

<b>Marks Evaluation</b>	<b>Marks in percentage</b>
Quizzes	20%
Assignments	08%
Mid Term	25%
Presentation	12%
Final exam	35%
Total	100%

## **Recommended Text Books:**

⇒ Financial & Managerial Accounting

Jerry J. Weygandt PhD, CPA

Paul D. Kimmel PhD, CPA

Donald E. Kieso PhD, CPA

## **Reference Books:**

⇒ Financial Accounting

Horngren, Charles

Prentice hall, Inc. USA

Latest Edition Available.

⇒ Financial Accounting; Creating Value in a dynamic Business Environment

William Haka Bettner

McGraw Hill, USA

Latest Edition Available

⇒ Accounting

Warren, Reeve & Fees

⇒ Business Accounting by Frank wood (Volume 1)

⇒ Modern Accounting by Mukherjee (Volume 1)

**Course: Financial Accounting Course code: AC-525 Book: Financial Accounting (William Haka Bettner)**

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	Preliminary Introduction And <b>Ethics in Accounting</b>	To understand the concept & Role of Accounting in Local & International Business Environment; Concept & Characteristics of Business Transactions; Forms of Business Organizations; Financial Reporting Process for various internal & external stakeholders; Accounting Ethics	Ability to understand the definition & purpose of Accounting; comparative study of various forms of accounting Financial Reporting Process; Importance of various financial statements	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
2	Fundamental Concepts of Financial Accounting	To understand Accounting Terminologies, Cash Vs Accrual System of Accounting, Manual Vs Computerized Accounting systems, Internal Controls within Organizations	Able to understand and differentiate between Assets, Liabilities, Expenses, Revenues, Owners Equity A/R, A/P, N/R, N/P, Solvency & Insolvency, Cash Vs Credit Transactions, Credit Terms & Cash Discount, Merchandize Inventory Residual Claim in case of Equity	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
3	Generally Accepted Accounting Principles (GAAPs) <b>Internationalization and harmonization of financial accounting standards</b>	To understand the importance and role of Generally Accepted Accounting Principles in Financial Reporting and Internationalization of accounting practices	Complete know how of Business Entity Concept, Going Concern Concept, Money Measurement Concept, Accounting Period Concept, Historical Cost Concept, Realization Principle, Matching Principle, Objectivity,	Prescribed readings, class discussions and applications of concepts using numerical problems and local &	Class Assignments, Class Participation, Quiz	To be announced in class

	<b>IFRS and standardized International accounting Practices</b>		Materiality, Consistency, Disclosure, Conservatism	International case studies wherever required		
4	Accounting Cycle - Basic	To understand the complete ingredients of Accounting cycle	Knowledge of Accounting Equation, Categories & Title of Accounts, Rules of Debit & Credit, Single Entry Vs Double Entry ,Recording of Transactions in Journal; Posting of Transactions in Ledger & Preparation of Trial Balance	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
5	Preparation of Financial Statements – Non Corporate	To Understand the preparation of financial statements and their usefulness for the various stakeholders	Preparation of Income statement, Statement of Owners Equity, Balance Sheet, Statement of Cash Flows; Articulation of Financial Statements; Notes to the Accounts Disclosure requirements	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
6	Adjustments before Final Accounts	To Understand the Concept & Purpose of Adjustments and how these relate to the concept of accrual accounting. Understanding various methods of depreciation	Preparation of different categories of adjusting entries, Adjusted Trial Balance and Post Adjustments Financial Statements; Calculation of depreciation, accumulated depreciation and net book value	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class



7	Closing the temporary accounts	To Understand the concept & Purpose of Closing Entries	Preparation of Closing Closing Entries; Income Summary Account and After Closing Trial Balance	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
8	Current & Non - Current Assets & Depreciation	To Understand the concept & Purpose of Asset Depreciation	Able to identify the characteristics of Current & Non-Current Assets and various methods of Depreciation	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
9	Current and Non-Liabilities & Equity	To understand the concept of Business Equity and nature of obligations involved in the business.	Able to identify the characteristics of Current & Non-Current Liabilities and various forms of equity	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
10	Corporate Reporting - Share Capital	To Understand the basic structure of FS of Corporations and the basic analysis of Financial Statements.	Able to differentiate between Common Stock and various forms of Preferred Stock	Prescribed readings, class discussions and applications of concepts using	Class Assignments, Class Participation, Quiz	To be announced in class

				numerical problems and local & International case studies wherever required		
11	Corporate Reporting – Dividends, Book & Market Value	To Understand the basic structure of FS of Corporations and the basic analysis of Financial Statements.	Able to differentiate between Book Value, Par Value, Market Value,	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
12	Corporate Reporting – Financial Statements I	To Understand the basic structure of FS of Corporations and the basic analysis of Financial Statements.	Able to calculate Issued, Subscribed & Paid up Capital; Calculations and Preparation of Earning Per Share (EPS), Dividends,	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	
13	Corporate Reporting – Financial Statements II	To Understand the basic structure of FS of Corporations and the basic analysis of Financial Statements.	Able to Corporate Financial Statements Calculation of basic ratios	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever	Class Assignments, Class Participation, Quiz	

				required		
14	Corporate Reporting – Financial Statements III	To Understand the basic structure of FS of Corporations and the basic analysis of Financial Statements.	Able to Corporate Financial Statements Calculation of basic ratios	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class
15	<b>Accounting Decisions for Sustainable Businesses</b>	To Understand the Accounting Decisions for Sustainable Businesses.	Able to understand the significance of accounting decision for the sustainability of business	Prescribed readings, class discussions and applications of concepts using numerical problems and local & International case studies wherever required	Class Assignments, Class Participation, Quiz	To be announced in class