



University of Management and Technology

School of Commerce and Accountancy

Quaid e Azam Campus

Course Outline

Course Title: Principles of Accounting - I (AC-101)	
Program	B.Com (Hons)
Credits Hours	3
Duration	15 Weeks / 30 Sessions
Prerequisites	
Resource Person	
Contact/Email	

Course Description:

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. 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:

After studying this course the students will be able to:

- ⇒ The participants must fully comprehend the need and importance of primary financial statements i.e. income statement and balance sheet.
- ⇒ 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.

Teaching-Learning Methodology:

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies
- Skill Development Exercises
- Guest Speakers
- Industrial/Corporate Visits
- Project Report/Term Paper

Recommended Text Book:

1. Financial & Managerial Accounting **Latest Edition**
By: Weygandt, Kimmel and Kieso

Supplementary Text Books:

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1. Financial Accounting

9th Edition

By: Charles T. Horngren, Sundem, Elliott and Philbrick

2. Gripping IFRS, Pakistan Edition

Assessment & Evaluation:

Quizzes	15%
Assignments / Class Activity	20%
Mid Term	25%
<u>End Term Exam</u>	<u>40%</u>
Total:	100

SCHEDULE OF ACTIVITIES

Week	Contents/Topics to be Taught	Tasks/Activities
1	<u>PRELIMINARY INTRODUCTION</u> <ul style="list-style-type: none">⇒ General Business Environment; Local & International<ul style="list-style-type: none">○ Sole Proprietorship○ Partnership○ Corporations⇒ Concept & Characteristics of Business Transactions⇒ Nature or Kinds of Businesses<ul style="list-style-type: none">○ Merchandizing/Trading○ Manufacturing○ Services⇒ Definition & Purpose of Accounting<ul style="list-style-type: none">○ Identifying○ Classifying○ Recording○ Summarizing○ Interpretation	Course Outline Distribution
2	<u>TYPES OF ACCOUNTING</u> <ul style="list-style-type: none">○ Financial Accounting○ Cost Accounting○ Management Accounting⇒ Financial Reporting Process⇒ Overview of IFRS⇒ Financial Statements	Assignment 1 Quiz 1

	<ul style="list-style-type: none"> ○ Balance Sheet- Measuring Financial Position ○ Income Statement- Measuring Financial Performance ○ Statement of Owners Equity ○ Statement of Cash Flows <p>⇒ Annual Reports of Listed Companies</p> <p>⇒ Users of Financial Statements and their specific needs</p> <ul style="list-style-type: none"> ○ Internal Users ○ External Users <p>⇒ Marketable Securities</p>	
3-4	<p><u>FUNDAMENTAL CONCEPTS</u></p> <p>⇒ Accounting Terminologies</p> <ul style="list-style-type: none"> ○ Assets, Liabilities and Equity ○ Expenses & Revenues ○ Accounting Equation ○ Depreciation ○ A/R, A/P, N/R, N/P ○ Liquidity and Solvency ○ Cash Vs Credit Transactions ○ Credit Terms & Cash Discount ○ Merchandize Inventory ○ Residual Claim in case of Equity <p>⇒ Accounting / Business Entity Concept</p> <p>⇒ Going Concern Concept</p> <p>⇒ Money Measurement Concept</p> <p>⇒ Accounting Period Concept</p> <p>⇒ Matching Principle</p> <p>⇒ Cash Vs Accrual System of Accounting</p> <p>⇒ Manual Vs Computerized Accounting systems</p> <p>⇒ Internal Controls within Organizations</p> <p>⇒ Audits of Financial Statements</p>	<p>Assignment 2</p> <p>Quiz 2</p>
5-7	<p><u>Recording Transactions</u></p> <p>⇒ Accounting Equation</p> <p>⇒ Double Entry System</p> <p>⇒ Accounting Cycle</p> <p>⇒ Categories & Title of Accounts</p> <p>⇒ Creating Charts of Accounts</p> <p>⇒ Rules of Debit & Credit</p> <p>⇒ Recording of Transactions; Journal</p> <p>⇒ Posting of Transactions; Ledger</p> <p>⇒ Summarization; Trial Balance</p>	
8	MID TERM EXAMINATION	
9-11	<p><u>FINANCIAL STATEMENTS</u></p> <p>⇒ Revenue and Expense Measurement and Recognition</p> <p>⇒ Concept of Net Income</p> <p>⇒ Income Statement</p> <p>⇒ Investments & Withdrawals by owner</p>	<p>Assignment 3</p> <p>Quiz 3</p>

	<ul style="list-style-type: none"> ⇒ Balance Sheet ⇒ Notes to the Accounts 	
12-15	<p><u>ADJUSTMENTS BEFORE FINAL ACCOUNTS</u></p> <ul style="list-style-type: none"> ⇒ Concept & Purpose of Adjustments ⇒ Adjusting Entries; Categories & Examples ⇒ Adjusted Trial Balance ⇒ Post Adjustments Financial Statements: ⇒ Classified Income Statement and Balance Sheet 	<p>Assignment 4</p> <p>Quiz 4</p>
16	END TERM EXAMINATION	