



**University of Management and Technology**  
School of Commerce and Accountancy  
Quaid e Azam Campus

## Course Outline

<b>Course Title: Principles of Accounting - II</b> <b>(AC-203)</b>	
<b>Program</b>	B.Com (Hons)
<b>Credits Hours</b>	3
<b>Duration</b>	15 Weeks / 30 Sessions
<b>Prerequisites</b>	Principles of Accounting - I (AC-101)
<b>Resource Person</b>	
<b>Contact/Email</b>	

**Course Description:**

In continuation of Accounting – I 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. 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.

**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.
- ⇒ 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) 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:**

1. Introduction to Financial Accounting 9<sup>th</sup> 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>
<b>Total:</b>	<b>100</b>

## SCHEDULE OF ACTIVITIES

Week	Contents/Topics to be Taught	Tasks/Activities
1-2	<p><b><u>INTRODUCTION TO FINANCIAL STATEMENTS</u></b></p> <ul style="list-style-type: none"> <li>⇒ Income Statement</li> <li>⇒ Balance Sheet</li> <li>⇒ Statement of Changes in Equity</li> <li>⇒ Statement of Cash flows</li> </ul>	Course Outline Distribution
3-4	<p><b><u>CASH &amp; SHORT TERM INVESTMENTS</u></b></p> <ul style="list-style-type: none"> <li>⇒ Cash Management</li> <li>⇒ Teeming and lading</li> <li>⇒ Cashbook</li> <li>⇒ Bank Reconciliation Statements</li> <li>⇒ Marketable Securities</li> </ul>	Assignment 1
5-6	<p><b><u>ACCOUNTS/NOTES RECEIVABLE</u></b></p> <ul style="list-style-type: none"> <li>⇒ Uncollectible Balances of A/R</li> <li>⇒ Allowance for Bad Debts</li> <li>⇒ Management of Accounts Receivable</li> <li>⇒ Factoring Accounts Receivable</li> <li>⇒ Evaluation of Quality of Accounts Receivable</li> </ul>	Quiz 1
7	<p><b><u>MERCHANDISING &amp; INVENTORIES</u></b></p> <ul style="list-style-type: none"> <li>⇒ Operation of Merchandizing Companies</li> <li>⇒ Transaction relating to Purchases</li> <li>⇒ Transaction relating to Sales</li> <li>⇒ Markup and Margin</li> </ul>	Assignment 2 Quiz 2
8	<b>MID TERM EXAMINATION</b>	
9-10	<p><b><u>MERCHANDISING &amp; INVENTORIES (Con't)</u></b></p> <ul style="list-style-type: none"> <li>⇒ Flow of Inventory Cost</li> <li>⇒ Perpetual Inventory System</li> <li>⇒ Periodic Inventory System</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>	Assignment 3 Quiz 3
11-13	<p><b><u>NON-CURRENT ASSETS AND INTANGIBLE ASSETS</u></b></p> <ul style="list-style-type: none"> <li>⇒ Major categories of Non-Current Assets</li> <li>⇒ Acquisition &amp; Cost determination</li> <li>⇒ Depreciation; Treatment &amp; Methods (Straight line and reducing balance with rate calculation)</li> <li>⇒ Disposal of Non-Current Assets</li> <li>⇒ Disclosure in Financial Statements</li> <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>	Assignment 4 Quiz 4

14-15	<b><u>CURRENT &amp; LONG TERM LIABILITIES</u></b> ⇒ Treatment of A/P & N/P ⇒ Current Portion of Long Term Debts ⇒ Disclosure in Financial Statements ⇒ Bonds Payable; Treatment & Disclosure ⇒ Contingencies & Commitments	
16	<b>END TERM EXAMINATION</b>	