



Khwaja Fareed University of Engineering & Information Technology,
Rahim Yar Khan
Institute of Business Administration
Course Outline

Course Code: MSCI-2116
Course Title: Principle of Accounting
Credit Hours: 03

Course Description

This course is designed to familiarize and develop in the students a thorough understanding of the accounting concepts, principles and procedures involved in the analysis and recording of business transactions and the preparation of financial statements for service and trading concerns. Accounting concepts and techniques underlying income determination and valuation of current and long-term assets, together with their related internal control measures and their presentation in the financial statements are emphasized.

Core Objectives Principles of Accounting

The basic objective of teaching “Principles of Accounting, is to acquaint the students with the fundamental knowledge of the structure and process of recording, classifying and presenting the accounting data for its application in simple and routine business activities and also to provide them with a sound base for higher and specialized study in the subject.

1. To equip the students with basic knowledge in the field of Accounting.
2. To develop interest for perusing higher knowledge in the field of Accounting.
3. To provide the trained personnel at lower level in various business and commercial organizations.

Course Learning Outcomes (CLOs)

This course is intended to:

1. Be able to use debit and credit accounting to record and adjust basic business transactions. And to demonstrate problem solving skills of advance concept of accounting.
2. Be able to Observe, analyze, synthesize, apply and evaluate business information. Use information to support business processes and practices, problem analysis and decision making.
3. Be able to Use Generally Accepted Accounting Principles (GAAP) to record common business transactions involving merchandise inventory, cash, and accounts receivable transactions.

4. Through **intellectual skills**, students will be able to:
 - Apply an appropriate judgment in selecting and presenting information using various methods relevant to financial accounting.
 - Discuss a reasoned argument to the solution of familiar and unfamiliar problems relevant to financial accounting.
5. Through **professional and practical skills**, students will be able to:
 - Develop practical activities using techniques and procedures appropriate to financial accounting.
 - Display how to change within the external and internal accounting environment.
6. Through **general and transferable skills**, students will be able to:
 - Articulate appropriate effective written and oral communication skills relevant to accounting.
 - Demonstrate the ability to work effectively as part of a group, Involving leadership, group dynamics and interpersonal skills relevant to financial accounting.
 - Show how to solve problems relevant to financial accounting using ideas and techniques some of which are at the forefront of the discipline.

Course Evaluation

Grading System:

Marks	Grade Point	Grade
96 & Above	4.00	A+
86 - 95	4.00	A
80 - 85	3.67	A-
76 - 79	3.33	B+
72 - 75	3.00	B
68 - 71	2.67	B-
64 - 67	2.33	C+
60 - 63	2.00	C
57 - 59	1.67	C-
54 - 56	1.33	D+
50 - 53	1.00	D
Below 50	0.00	F

Marks Distribution:

Sessional	25%
Mid Term	25%
Final Term	<u>50%</u>
	<u>100%</u>

Course Outline

Weeks	Course Contents	Activity
1	The accounting equation and the statement of financial position • What is accounting • History of accounting • Objectives of accounting	

	• What is bookkeeping • The accounting equation • Purpose And Nature Of Accounting • Users of Accounting information • The Statement of financial position and effects of transactions a. The introduction of capital b. The purchase of an asset by cheque c. The purchase of an asset and incurring of a Liability d. Sales of an asset on Credit e. Sale of an asset for immediate payment f. The payment of a liability g. Collection of an asset • The equality of accounting equation • Accounting standards	
2&3	• Detailed Presentation of the statement of financial position a. Non-current assets and current assets b. Current liabilities • Numerical practices Double Entry System for assets, liabilities and capital • What is the account for double entry? • Nature of transaction • How we can record the accounts in double entry • Worked examples • Numerical Practices	Assignment#1 (Numerical of Double Entry System)
4&5	Inventory • Inventory moments • Purchase of Inventory on credit • Purchase of inventory on cash • Sales of inventory on credit • Sales of inventory for cash • Return inwards • Return outwards • Worked examples • Comparison of cash transactions and credit transactions	Quiz#1
6&7	Ledger • Posting to the ledgers Trial Balance • Total debit entries equal to total credit entries • Total debit balances equal to total credit balances • Practice Questions	
8	Financial Statements • Classification of statements • Overview of Income statement • Overview of Balance sheet	Quizz#2
	Mid Term Examination	
9	Depreciation of non-current assets: nature and calculations • Nature of non-current assets • Depreciation of tangible non-current assets • Depreciation is an expense	

	- Causes of depreciation - Physical deterioration - Economic factors - Time - Depletion	
10	Method of calculating depreciation charges - Straight line method - Reducing Balance method - Sum of the year digits method Accounting for merchandizing business - Calculation of cost of goods sold	Assignment#2 (Numerical related with Depreciation Methods)
11	Income Statement - Purpose of income statement - Gross profit - Net profit	
12	Accounting Cycle Accounting For Inventory - First in First out method - Numerical Question Practice	Quiz#3
13	Accounting For Inventory - Last in First out method - Weighted average cost of method - Practice	
14	Accounting For Receivables - Bad debts - Allowances for doubtful debt - Increase in the provision - Reducing the allowance - Provision of bad debts	Quizz#4
15	Adjustment to the financial statement Revision	
16	Final term preparation and Presentation	Project
	Final Term Examination	

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Text and Reference Books

Recommended Book

- FUNDAMENTALS OF ACCOUNTING, Published by : Directorate of Studies The Institute of Cost Accountants of India (ICAI) CMA Bhawan, 12, Sudder Street, Kolkata - 700 016

Reference books

- Eric G.Flamholtz,Diana Troik Flamholtz, Micheal A. Diamond:Principles of accounting (Latest Edition)
- Robert F.Meigs and Walter B.Meigs: Accounting: The Basis for Business Decision, McGraw Hill, Inc(Latest edition), Principles of Accounting Written by: M.A Ghani