



UNIVERSITI TEKNOLOGI MARA

ACC150: PRINCIPLES OF ACCOUNTING 1

<b>Course Name (English)</b>	PRINCIPLES OF ACCOUNTING 1 <b>APPROVED</b>
<b>Course Code</b>	ACC150
<b>MQF Credit</b>	3
<b>Course Description</b>	This course is designed to provide a fundamental understanding of the basic accounting concepts, principles and techniques of double entry system, procedures in preparing final accounts of a sole trader for merchandising and service enterprise. This course aims to provide students with the basic accounting knowledge of the total recording process as well as maintenance of full set of accounts that a business organisation should keep.
<b>Transferable Skills</b>	REFLECTIVE LEARNERS RESOURCEFUL AND RESPONSIBLE EFFECTIVE COMMUNICATOR RESPONSIVE CONFIDENT
<b>Teaching Methodologies</b>	Lectures, Blended Learning, Tutorial
<b>CLO</b>	CLO1 Differentiate between accounting and book keeping, types and various form of organizations CLO2 Explain the various types of accounting concepts and Convention CLO3 Identify effects of accounting transactions on the accounting Equation CLO4 Apply expanded accounting equation and double entry rules to prepare journals and ledgers CLO5 Identify the 7 types of specialised journals and prepare the subsidiary ledgers CLO6 Prepare the financial statement (statement of profit or loss and statement of financial position) CLO7 Calculate the simple ratios and gives comment CLO8 Prepare adjusted cash book and bank reconciliation statement
<b>Pre-Requisite Courses</b>	No course recommendations
<b>Topics</b>	
<b>1. Introduction</b> 1.1) Definition of accounting 1.2) Functions of financial statements 1.3) Main user groups of financial statements 1.4) Accounting cycle 1.5) Various forms of business (sole trader of merchandising and service enterprise, partnership and private & public companies)	
<b>2. Accounting concepts and conventions</b> 2.1) Business Entity 2.2) Going Concern 2.3) Monetary 2.4) Accruals-based accounting 2.5) Comparability 2.6) Neutrality 2.7) Materiality	

**3. Accounting Equation and Accounting Classification**

- 3.1) Statement of financial position format and the classification of items in it
- 3.2) Basic accounting equation
- 3.3) Effects of transactions on the basic accounting equation
- 3.4) Expanded accounting equation
- 3.5) Effects of transactions on the expanded accounting equation

**4. Principles of Double Entry and Trial Balance**

- 4.1) Double entry rules.
- 4.2) Expanded accounting equation.
- 4.3) Ledger entries.
- 4.4) Balancing of ledger accounts.
- 4.5) Trial Balance (pre-adjusted only)

**5. Books of Prime Entry**

- 5.1) Introduction to source documents.
- 5.2) Types of journal.
- 5.3) Sales journal
- 5.4) Purchases journal
- 5.5) Return inwards journal
- 5.6) Return outwards journal
- 5.7) Cash Receipts Journal
- 5.8) Cash Payments journal
- 5.9) General journal
- 5.10)
- 5.11) Types of ledger.
- 5.12) Sales ledger
- 5.13) Purchases ledger
- 5.14) General ledger
- 5.15)
- 5.16) Recording process from source documents to journals and posting to ledger.
- 5.17) ? Preparation of Trial Balance.

**6. Balance Day Adjustment and Preparation of Final Accounts**

- 6.1) Accrual-based Accounting.
- 6.2) Adjustments of accrual and prepayments through ledger accounts.
- 6.3) Bad Debts (Allowance method)
- 6.4) Doubtful Debts – allowance for doubtful debts.
- 6.5) Capital Expenditure and Revenue Expenditure.
- 6.6) Depreciation of non current assets.
- 6.7) Preparation of final accounts with year end adjustments
- 6.8)
- 6.9) (not tested on individual question in the final exam. It will be tested in the preparation of financial statement.)

**7. Financial Statements Analysis**

- 7.1) Objectives of financial statements.
- 7.2) Types of analysis.
- 7.3) Profitability:
- 7.4) Gross profit margin
- 7.5) Net profit margin
- 7.6) Liquidity ratio:
- 7.7) Current ratio
- 7.8) Acid test ratio
- 7.9) Efficiency:
- 7.10) Accounts receivables collection period
- 7.11) Inventory turnover ratio
- 7.12) Limitations of ratio analysis.
- 7.13) Preparation and interpretation.

**8. Bank Reconciliation Statement**

- 8.1) Use of banking facilities for safe keeping of cash (bank account).
- 8.2) Update Cash Book.
- 8.3) Reconciling the bank account with the bank statement (ticking method only).

Assessment Breakdown	%
Continuous Assessment	40.00%
Final Assessment	60.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Assignment	n/a	15%	CLO5
	Quiz	n/a	5%	CLO4
	Quiz	n/a	5%	CLO8
	Test	n/a	15%	CLO1 , CLO2 , CLO3 , CLO4 , CLO6

Reading List	Reference Book Resources	<ul style="list-style-type: none"> <li>• Wong S.V., Andrew L.F.C 2005, <i>Business Accounting</i>, 2 Ed., Prentice Hall</li> <li>• Amla A., Fatimah A.R. 1999, <i>Financial Accounting 1 for Non-Financial Acco</i>, UITM Shah Alam</li> <li>• Larson &amp; Pyle 1990, <i>Fundamental Accounting Principles</i>, 12 Ed., IRWIN Homewood, Illinois</li> <li>• Gray, William S. 1996, <i>Hospitality Accounting</i>, Prentice Hall Inc., Simon &amp; Schuster Company.</li> <li>• Cote, Raymond, CPA 1995, <i>Understanding Hospitality Accounting 1</i>, 2 Ed., Educational Institute of the American Hotel a</li> </ul>
Article/Paper List	This Course does not have any article/paper resources	
Other References	This Course does not have any other resources	