



UNIVERSITI TEKNOLOGI MARA

ACC180: FINANCIAL ACCOUNTING

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| Course Name (English) | FINANCIAL ACCOUNTING APPROVED |
| Course Code | ACC180 |
| MQF Credit | 3 |
| Course Description | 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 and partnership. Furthermore, students would have a better understanding on the interpretation of final accounts. Students are also exposed on the preparation of final accounts from single entry and incomplete records. |
| Transferable Skills | Reflective Learner Resourceful and Responsible Effective Communicator Responsive |
| Teaching Methodologies | Lectures, Tutorial |
| CLO | CLO1 Analyze and correct errors in recorded transactions to show the effect on the financial statements. CLO2 Prepare the related accounts for the acquisition, disposal and depreciation of the property, plant and equipment. CLO3 Perform a financial analysis on the financial statements using ratio analysis. CLO4 Prepare the financial statements of sole trader, from an incomplete records settings, and for the partnership, the profit and loss appropriation and current accounts. |
| Pre-Requisite Courses | No course recommendations |
| Topics | |
| 1. Introduction 1.1) Types of business concern: sole trader, partnership and companies – legal status, source of capital and ownership 1.2) Double Entry Rules 1.3) Principles, concepts and conventions underlying accounting statements (briefly) 1.4) User groups of accounting statements and their information needs | |
| 2. Accounting Procedures and Double Entry System 2.1) Errors in Trial Balance 2.2) Correction of Errors – Journal Entries 2.3) Statement of Corrected Net Profit | |
| 3. Balance Day Adjustment 3.1) Depreciation (Straight line and reducing balance; yearly) 3.2) Acquisition and disposal of property, plant and equipment | |
| 4. Accruals and Prepayments 4.1) Adjustments for prepaid and accrued revenue 4.2) Adjustments for prepaid and accrued expense | |
| 5. Preparation of final accounts (Vertical Format) 5.1) Statement of Profit or Loss 5.2) Statement of Financial Position | |

6. Interpretation of Financial Statements

- 6.1) Significance; limitation; and interpretation of ratio analysis
- 6.2) Liquidity ratio (current; acid test)
- 6.3) Profitability ratio (gross profit margin; net profit margin)
- 6.4) Efficiency ratio (receivable collection period; inventory turnover)

7. Single Entry and Incomplete Records

- 7.1) Introduction
- 7.2) Comparison Method and Analysis Method
- 7.3) Statement of Affairs
- 7.4) Constructing the related accounts
- 7.5) Preparation of financial statements with year end adjustments

8. Partnership

- 8.1) Definition of partnership
- 8.2) Formation of Partnership
- 8.3) Preparation of financial statements: Statement of Profit or Loss and Appropriation Account

| Assessment Breakdown | % |
|-----------------------|--------|
| Continuous Assessment | 40.00% |
| Final Assessment | 60.00% |

| Details of Continuous Assessment | Assessment Type | Assessment Description | % of Total Mark | CLO |
|----------------------------------|-----------------|--|-----------------|-------------|
| | Quiz | Quiz 1 to assess CLO1 on correction of errors | 5% | CLO1 |
| | Quiz | Quiz 2 to assess CLO3 on partnership business | 5% | CLO4 |
| | Test | Test 1 to assess CLO2 on acquisition, disposal and depreciation of property, plant and equipment accounts. | 15% | CLO2 |
| | Test | Test 2 to assess CLO3 on constructing financial statements from incomplete records and ratio analysis | 15% | CLO3 , CLO4 |

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| Reading List | Recommended Text | Roshayani Arshad, Laily Umar, Siti Maznah Mohd Ariff and Kamaruzzaman Muhammad 2009, <i>Financial Accounting</i> , 3 Ed., Mc Graw Hill Kuala Lumpur [ISBN: 9789833850921] |
| Article/Paper List | This Course does not have any article/paper resources | |
| Other References | This Course does not have any other resources | |