



UNIVERSITI TEKNOLOGI MARA

ACC418: FINANCIAL ACCOUNTING

Course Name (English)	FINANCIAL ACCOUNTING APPROVED
Course Code	ACC418
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 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.
Transferable Skills	Reflective learner Resourceful and Responsible Responsive Confident
Teaching Methodologies	Lectures, Blended Learning, Tutorial, Discussion, Self-directed Learning
CLO	CLO1 Apply basic accounting knowledge in order to complete accounting cycles which include classifying, journalizing, posting to ledgers, preparing and analysing the financial statement of sole proprietorship. CLO2 Demonstrate teamwork in the organisation of accounting information for the preparation of financial statement for sole proprietorship. CLO3 Analyse the business cash book and bank statement balances for the preparation of bank reconciliation statement for sole proprietorship.
Pre-Requisite Courses	No course recommendations
Topics	
1. Introduction to Accounting 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)	
2. Accounting concepts and conventions 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) Ledger entries
- 4.3) Balancing of ledger accounts
- 4.4) Trial Balance (pre-adjusted only)
- 4.5) Final accounts before adjustment

5. Books of Prime Entry

- 5.1) Introduction to source document
- 5.2) Types of journals
- 5.3) Types of ledgers
- 5.4) Recording process from source documents to journals and posting to ledgers

6. Preparation of Final Accounts with Balance Day Adjustments

- 6.1) Adjustments of accruals and prepayments
- 6.2) Bad debts (allowance method) and Bad debts recovered
- 6.3) Doubtful debts and Allowance for doubtful debts
- 6.4) Capital expenditure and Revenue expenditure
- 6.5) Depreciation of non-current assets
- 6.6) Preparation of final accounts after adjustments

7. Financial Statements Analysis

- 7.1) Objectives of financial statements.
- 7.2) Types of analysis.
- 7.3) Preparation and interpretation.
- 7.4) Limitations of ratio analysis.

8. Bank Reconciliation Statement

- 8.1) Bank Reconciliation Statement
- 8.2) Use of banking facilities for safe keeping of cash (bank account)
- 8.3) Update Cash Book.
- 8.4) 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	book of prime entry	15%	CLO2
	Quiz	Accounting equation Journals Ledgers Trial balance	5%	CLO1
	Quiz	Bank reconciliation statement	5%	CLO3
	Test	n/a	15%	CLO1

Reading List	Recommended Text	• Amla, A., Fatimah, A.R, and Raziah, M, <i>Financial Accounting 1 for Non Accounting Stu, AFR</i>
	Reference Book Resources	<ul style="list-style-type: none"> • Wood, Frank, <i>Business Accounting 1</i> • Keiso, Weygant 1999, <i>Accounting Principles</i>, 5 Ed., John Wiley & Sons Inc., USA • Leong, Andrew & Wong, Sei Van, <i>Basic Financial Accounting</i>
Article/Paper List	This Course does not have any article/paper resources	
Other References	This Course does not have any other resources	