

Subject Description Form

Subject Code	AF2108
Subject Title	Financial Accounting
Credit Value	3
Level	2
Normal Duration	1-semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject contributes to the achievement of BBA Outcomes by enabling students to <u>analyse financial reports</u> (Outcome 7), and process a foundation of financial accounting skills and knowledge, on which to base the process of continuous professional development. It also contributes to the understanding of <u>accounting information system</u> and the development of <u>ethical reasoning</u> in the business setting (Outcome 4).
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> a. Explain the role and importance of accounting information in assisting decision-making in a business context. b. Apply the financial accounting conceptual framework in the recording, processing, summarizing and reporting phases of the accounting cycle. c. Evaluate the assumptions, principles and conventions underlying financial accounting processes. d. Identify and resolve accounting related ethical issues as they arise (BBA Outcome 4). e. Apply appropriate analytical tools for the interpretation of financial statements (BBA Outcome 7).
Subject Synopsis/ Indicative Syllabus	<p>The Business and Accounting Environment Different types of businesses, their common objectives and basic features. The need for accounting as a basis for decision making. Ethical considerations in financial reporting.</p> <p>The Financial Accounting Framework Accounting equation and double entry bookkeeping system. Differences between cash and accrual bases of accounting. Preparation of journals, ledger accounts, trial balance and basic financial statements. Prepare journal entries to correct errors through control account reconciliations and suspense accounts. Prepayments and accruals. Valuation of accounts receivables, inventory and non-current assets. Quality of earnings and earnings management. Internal control of cash through bank reconciliation statement.</p> <p>Accounting Principles and Concepts Fundamental accounting concepts and other accounting principles that underlie the preparation of financial statements.</p> <p>Company Accounting Features of the corporate form of business ownership. Rights and obligations of interested parties. Issues relating to company accounts. Preparation of financial</p>

	<p>statements of a company. Prepare financial statements for various common types of business entity. Prepare financial statements from incomplete records.</p> <p>Analysis and Interpretation of Financial Statement Need for analysis and interpretation of financial statements. Interpretation techniques including ratio analysis and statement of cash flow. Calculation and interpretation of basic financial ratios. Limitations of ratio analysis.</p>						
Teaching/Learning Methodology	<p>A two hour lecture will be conducted each week to initiate students into the ideas, concepts and techniques of the topics in the syllabus, which is then reinforced by a one hour tutorial designed to consolidate and develop students' knowledge through discussion and practical problem solving. Students will be assigned and assessed with a group project which simulates the maintenance of a set of accounting records for a company.</p>						
Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d*	e
	Continuous Assessment	50%					
	1. Project Assignment	15%		√			
	2. Mid Term Test	30%	√	√	√		
	2. Participation	5%	√	√	√	√	√
	Final Examination (closed book)	50%	√	√	√	√	√
	Total	100 %					
<p>* Covered in either the tests or the final examination.</p> <p>To pass this subject, students are required to obtain Grade D or above in both the Continuous Assessment and Examination components.</p>							
Student Study Effort Expected	Class contact:						
	▪ Lectures		26 Hrs.				
	▪ Tutorials		13Hrs.				
	Other student study effort:						
	▪ Weekly preparation and review (3 hour X 12 weeks)		36 Hrs.				
	▪ Tutorial questions (3 hours X 12 topics) and group project (16 hours)		52 Hrs.				
	Total student study effort		127 Hrs.				

**Reading List and
References**

Recommended Textbook

Weygandt, J.J., D.E. Kieso and P.D. Kimmel, *Financial Accounting*, IFRS Edition, Wiley (latest version).

Recommended References

Williams, Haka, Bettner, Carcello, Lam and Lau, *Financial Accounting: Including International Financial Reporting Standards (IFRS)*, McGraw-Hill (latest version).

Ferrell, Fraedrich and Ferrell, *Ethical Decision Making for Business*, international edition, South Western (latest version).

Harrison, Horngren, Thomas and Suwardy, *Financial Accounting: International Financial Reporting Standards*, Pearson Education South Asia Pte. (latest version).