



UNIVERSITY COLLEGE OF THE CARIBBEAN

BACHELOR OF SCIENCE BUSINESS ADMINISTRATION / HUMAN RESOURCE MANAGEMENT

Financial Accounting

Course Title: Financial Accounting
Course Code: ACT 100
Credits/duration: 3/1 term
Total Hours: 45
Pre-requisites: None

Rationale:

Businesspersons are required to make economic decisions on a daily basis that means they need to be able to use financial reports effectively. They need to know how accounting information is generated, processed and presented. They also need to know the terminologies used, have a basic understanding of accounting principles and be aware of the limitations.

Course Description

This course is designed to introduce students at the college level to the principles of financial accounting. Students will learn the steps in the accounting cycle, preparation and analysis of balance sheets and income statements. The approach will be to provide students with the essentials of accounting principles and techniques in problem solving and book keeping for an organization.

Student Learning Outcomes

At the end of this course, students should be able to:

- Discuss the importance of accounting in organizations
- Relate the basic accounting concepts and conventions
- Describe and apply the steps in the accounting cycle
- Prepare and analyze a balance sheet

Summary of Course Content

Unit 1	Introduction to Accounting	5 hours
Unit 2	Balance Sheet and Income Statements	5 hours
Unit 3	The Accounting Cycle	6 hours
Unit 4	Accounting for Merchandising Businesses	4 hours
Unit 5	Cash	3 hours
Unit 6	Receivables	3 hours
Unit 7	Inventories	3 hours
Unit 7	Fixed and Intangible Assets	5 hours
Unit 9	Current Liabilities	4 hours
Unit 10	Forms of Business Organizations	4 hours
Assessment		3 hours



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2. Journalize entries for accounts requiring adjustment
3. Prepare a work sheet
4. Prepare financial statements from a work sheet
5. Prepare the adjusting and closing entries from a work sheet
6. Outline the basic steps of the accounting cycle
7. Analyze and interpret the financial solvency of a business by computing the working capital and current ratio

Content

- Work Sheet
- Financial Statements
- Adjusting and Closing Entries
- Accounting Cycle
- Financial Analysis and Interpretation

Unit 4 Accounting for Merchandising Businesses 4 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Distinguish between the activities of a service business from those of a merchandising business
2. Journalize the entries for merchandise transactions
3. Prepare a chart of accounts for a merchandising business
4. Prepare income statements for a merchandising business
5. Describe the accounting cycle for a merchandising business

Content

- Nature of Merchandising Business
- Accounting for Purchases, Sales and Transportation costs
- Chart of Accounts for a Merchandising Business
- Income Statement for a Merchandising Business
- The Accounting Cycle for a Merchandising Business

Unit 5 Cash 3 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Describe the nature of cash and the importance of internal control over cash
2. Summarize the basic procedures for achieving internal control over cash receipts
3. Describe the nature of a bank account and its use in controlling cash
4. Prepare a bank reconciliation and journalize any necessary entries
5. Account for small cash transaction, using petty cash fund



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6. Summarize how cash is presented on the balance sheet
7. Compute and interpret the ratio of cash to current liabilities

Content

- The Nature of Cash
- Control of Cash Receipts
- Internal Control of Cash Payments
- Bank Accounts and Bank Reconciliation
- Petty Cash
- Presentation of Cash on the Balance Sheet

Unit 6 Receivables

3 hours

Learning Outcomes

At the end of this unit students should be able to:

1. List the common classifications of receivables
2. Identify the internal control procedures that apply to receivables
3. Describe how uncollected receivables are accounted for
4. Journalize the entries for uncollected receivables
5. Journalize the entries for notes receivables transactions
6. Prepare the current assets presentation of receivables on the balance sheet

Content

- Classification of Receivables
- Uncollectible Receivables
- Accounting for Uncollectibles
- Accounting for Notes Receivables
- Receivables on the Balance Sheet

Unit 7 Inventories

3 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Summarize the internal control procedures that apply to inventories
2. Compute the cost of inventory under the perpetual and periodic inventory systems
3. Compute the proper valuation of inventory
4. Prepare a balance sheet presentation of merchandise inventory

Content

- Internal Control of Inventories
- Inventory Costing Methods
- Valuation of Inventory at Other Than Cost



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- Presentation of Merchandise Inventory on the Balance Sheet

Unit 8 Fixed and Intangible Assets

5 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Define fixed and intangible assets
2. Compute depreciation
3. Journalize entries for the disposal of fixed assets
4. Journalize the entries for acquiring and amortizing intangible assets

Content

- Nature of Fixed Assets
- Accounting for Depreciation
- Disposal of Fixed Assets
- Intangible Assets

Unit 9 Current Liabilities

4 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Define and give examples of current liabilities
2. Journalize entries for short-term notes payable
3. Describe the accounting treatment for contingent liabilities
4. Determine employer liabilities for payroll

Content

- The Nature of Current Liabilities
- Contingent Liabilities
- Payroll and Payroll Taxes

Unit 10 Forms of Business Organizations

4 hours

Learning Outcomes

At the end of this unit students should be able to:

1. Discuss why people choose different forms of organization for business
2. Identify the special legal features of the corporate form of business organization
3. Distinguish between preferred stock and common stock

Content

- Nature of a Corporation
- Non-corporate form of Business Organization



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Teaching Strategies

Lectures
Tutorials

Assessment

Coursework – 40%
Mid semester exam - 40%
Final Exam - 60%

In compliance with university policy: Students must pass both course work and end of module exams in order to be successful in this course.

Learning Resources

Text Books
Audio-visual aids

Bibliography

Required Text(s)

Wood, F.: **Business Accounting 1**, 7th Edition (International Student Edition), latest edition, Pitman Publishing, London

Recommended Reading

Meigs, R.F., Meigs, M.A., & Bettner, M. **Financial Accounting** (latest Edition). Massachusetts: Irwin/McGraw-Hill.

Salmon, U.H.: **Learning Units for Accounting I: Units I - XI**, latest edition, University of the West Indies Distance Teaching Experiment (UWIDITE), Mona

Skousen, K., Fred, Albrecht, W. Steve & Stice, James D. **Financial Accounting** latest Edition, South- Western College publishing , Ohio

Warren, C. S.; Reeve, J. M.; Fess, P. E.: **Accounting**, latest Edition, South-Western College Publishing, Ohio

Warren, Carl S. Reeve, James M. & Fess, Philip E. **Financial Accounting** latest Edition South-Western College Publishing , Ohio

Williams, M. A.: **Introduction to Financial Accounting the A R E Way**, latest Edition, W and B Publications, Jamaica



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See Gibaldi, Joseph. *MLA Style Manual and Guide to Scholarly Publishing*. 2nd. ed, New York: MLA, 1998.

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