

5 ACCOUNTING 1

Prerequisites: None **Credits:** 3

Overview

This course introduces students to the concepts, terminologies and principles of accounting. It gives students knowledge of the analysis of financial statements. Participants will be required to work through the full accounting cycle.

General Objectives

This course is designed to:

- 1 introduce the student to the concepts and terminology used in the accounting discipline
- 2 introduce the student to the principles which are used to govern the field of accounting
- 3 introduce the student to the mechanics required to assist them in working their way through an accounting system
- 4 familiarize the student with procedures necessary to complete and analyze financial statements

Learning Outcomes

Upon successful completion of this course the learner will:

- 1 state the fundamental purpose of accounting
- 2 complete an accounting cycle.
- 3 describe accounting practices related to an accounting system for a service business.

Topics

1.0 Accounting for Business Transactions

Objectives

Upon completion of the topic the student will be able to:

- 1.1 explain the concept and state the importance of a chart of accounts and design a chart based on specified criteria.

- 1.2 give a brief description of "the uniform system of accounting" and explain its purposes and functions.
- 1.3 differentiate between assets and liabilities and identify and categorize those accounts, which are found in current and fixed assets, and those that are found in current and long-term liabilities.
- 1.4 differentiate between revenue items and expense items and categorize accounts in both these areas.
- 1.5 explain the difference between debit and credit entries and post specified transactions to the appropriate books of record.
- 1.6 explain the use and importance of double entry system of accounting and post simple transactions, using this principle.
- 1.7 compile a simple trial balance of posted accounts and explain the function of the trial balance in the accounting process.
- 1.8 explain the meanings, and give examples of prepaid and expired expenses and unearned and unrecorded revenue.

Content

- Chart of Accounts
 - The Purpose and use of the Chart of Accounts
 - The Accounting Equation
 - The Uniform System of Accounting
- Asset, Liability and Equity Accounting
 - Current Assets
 - non-Current Assets
 - Other Assets
 - Current Liability
 - Long Term Liability
 - Equity
- Revenue and Expense Accounting
 - Revenue Classification
 - Expense Classification
- Accounting Records
 - Ledger Accounts
 - Journal Entries
 - The Double Entry Method
 - The General Ledger
 - The Subsidiary Cash Books
 - Trial Balance
 - Income Statement

2.0 End-Of-Period Accounting

Objective

Upon completion of the topic the student will be able to:

- 2.1 Period End Accounting
 - Explain the concepts of depreciation, inventory valuation, Bank Reconciliation and Bad Debts write off.

Content

- Depreciation
- Inventory Valuation
- Bank Reconciliation
- Bad Debts write off

3.0 Balance Sheet and Income Statements

Objectives

Upon completion of the topic the student will be able to:

- 3.1 prepare adjusting and closing entries
 - Adjusting Entries
 - Expired Assets
 - Unrecorded Expenses
 - Prepaid Expenses
 - Unrecorded Revenue
 - Unearned Revenue
- 3.2 calculate Cost of Sales

Content

- Preparation of Balance Sheet and Income Statement
- Cost of Sales

Instructional Format

Lecture
Case Studies
Guest Lecturers

Assessment and Evaluation

The assessment for this course takes the following form:

- 2 term tests worth 35% - one test covers topics done in weeks 1-4 and the other covers topics done in weeks 5-9.
- An individual comprehensive term assignment and graded homework exercises – 25%
- A final exam worth 40%

Recommended Text

Introduction to College Accounting;
Bischoff G W.

Financial Accounting: An Introduction to Concepts, Methods and Uses, 2012, Roman L Weil, Katherine Schipper & Jennifer Francis; published by Cengage Learning

Financial and Managerial Accounting, 9th Edition 2004, Carl S Warren, James M Reeve & Philip E Fess; published by South-Western College

Resources

Understanding Hospitality Accounting 1, R Cote; published by Educational Institute of the AH&MA.

Attendance

Students are encouraged to attend all class sessions, as all information presented may not be covered in the required text. Participation of students is an integral component in the learning process.