

BBER412 Financial Accounting III

ECTS Value: 6 ECTS
Self-Study Hours: 72

Contact Hours: 30
Assessment Hours: 48

Overall Objectives and Outcomes

The aim of this unit is to provide course participants with knowledge, skills and competences to support their students to understand the control accounts and correction of errors, to locate and correct errors in the accounting system. The unit also covers the topic of single entry and incomplete records. This way the course participant can prepare the financial statements of a sole proprietor from incomplete information, and consequently can calculate the net profit of a business from a statement of affairs using the accounting equation. The unit also covers the topics of the Accounting ratios and departmental accounts so that the course participants are able to evaluate the business performance and financial position for the various users of financial statements, and can prepare departmental profit statements

By the end of this module, the learner will be able to:

Competences

- a. create the setting up of a computerised set of accounting books
- b. prepare the financial statements of a sole proprietor from incomplete information
- c. calculate the net profit of a business from a statement of affairs using the accounting equation
- d. Prepare the cash account to find cash sales/purchases and/or receipts from debtors/payments to creditors
- e. Prepare a statement of corrected Net Profit and/or correction of Statement of Financial Position
- f. Interpret entries and/or balances in the control accounts.

Knowledge

- a. Explain the purpose of, and the source of entries for the compilation of control accounts
- b. Report the transactions recorded in the Journal.
- c. Define the purpose of a suspense account
- d. Identify errors that affect the agreement of the Trial balance and/or errors that do not affect the agreement of the Trial Balance.
- e. Identify errors that affect Net Profit
- f. Define allocation and/or apportionment of costs and expenses.
- g. Determine examples of items of expenditure that are directly allocated to departments and/or apportioned between the departments.
- h. Describe the purpose of accounting ratios

Skills

Applying knowledge and understanding

The learner will be able to:

- a. Record journal entries for the correction of errors including the preparation of a suspense account
- b. Evaluate the limitations of single entry and/or the benefits of double entry

- c. Analyse the accruals concept in the estimation of credit sales from a receivables control account.
- d. Analyse the accruals concept in the estimation of credit purchases from a payables control account
- e. Assess the benefits and/or limitations of departmental profit statements
- f. Evaluate the benefits and/or limitations of accounting ratios
- g. Assess the performance and/or the financial position of the business from the results of accounting ratios
- h. understand the importance of accounting as a dynamic subject that requires the learner to keep abreast with any changes issued by the international accounting boards.
- i. demonstrate progressive development of values and ethics in accounting: the responsibility of accounting in society, business ethics, environmental and global sustainability and job opportunities
- j. assess the financial statements, their components and how information from business transactions flows into these statements.
- k. reconcile the list of accounts receivable and accounts payable with the receivables control account and payables control account.

Assessment Methods

This module will be assessed through: Portfolio

Suggested Readings

Core Reading List

1. Mitchell E. & Sant Fournier A. (2014). Go for Accounting
2. Wood F. and Robinson S. (2013). Book-Keeping and Accounts. Prentice Hall.
3. Wood F. and Sangster A. (2018). Business Accounting 1. Prentice Hall.
4. Coucom C. (2005) Teaching and Assessing Skills in Accounting. Cambridge University Press

Supplementary Reading List

1. Seal, Garrison & Noreen. 2018. Management Accounting. McGraw-Hill.
2. Davies T. & Crawford I., (2011) Business Accounting and Finance. Pearson Education Limited
3. Jones, J. (2014) Financial Accounting. John Wiley & Sons Inc.
4. Elliott B, Elliott J. (2019) Financial Accounting and Reporting. Pearson Education Limited
5. Thomas, A. Ward, A. (2019) Introduction to Financial Accounting. McGraw-Hill.