**UNIVERSITY OF SARGODHA**

**NOON BUSINESS SCHOOL**

COURSE OUTLINE 2020-2022

Course Title: **Accounting for Decision Making**

Course Code: **MCM-500**

Credit Hours:03

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DESCRIPTION AND OBJECTIVES

This course provides an introduction to the field of accounting and to the development and use of accounting information in the business world. It is intended for everyone, not just those students who may pursue careers in accounting and finance. Today’s students are tomorrow’s decision makers and it is an open secret that ***“Accounting is the language of Business”.***

INTENDED LEARNING OUTCOMES

Add Description

COURSE CONTENTS

Introduction: Purpose and Nature of Accounting, Various areas of Accounting, Forms of Business enterprises, Accounting Information users, GAAP, Conventions, Business transactions and Accounting equation; Accounting Process: Recording changes in financial position, Double entry Accounting system, Journal, Ledger, Trial Balance, the Accounting cycle, Measuring business income, adjusting process, Completion of Accounting Cycle, Work sheet, Financial Statements, and Accounting for merchandize business; Accounting Systems: Special Journals, and Internal control of Cash transactions, Bank Reconciliation, Accounts Receivables, and Inventories accounting Methods, Plant Assets, Depreciation, Intangible Assets, Amortization and Depletion Methods, Liabilities; Partnership: Formation, Division of Income and Liquidation process; Corporation: Organization, Classes of Stock, Stock holder’s Equity statement, Stock value, Issuance of Stock, Stock Dividend, Treasury Stock, Stock split, Measuring Corporation Income, and Earnings Per Share; Measuring Cash Flows: Statement of Cash Flows, and Classification of cash flows

COURSE SCHEDULE

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| **Week** | Topics and Readings | Books with Page No. |
| **1** | Introduction: Forms of Business enterprises Purpose and Nature of Accounting, Definition (General & Functional), Terms, Various areas of Accounting,  Accounting Information users, GAAP, Conventions. | * **Accounting** *The Basis for Business Decisions*   *16th Edition By Hakka, Bettner, Meigs*  *4-20* |
| **2** | Business transactions, Business Entity Concept and its application in accounting equation. Accounting Process: Recording changes in financial position,  Double entry Accounting system, Rules of Debit & Credit and T Accounts. Journal the Book of Original Entry, Kinds of Journal, General Journal, Format and Procedure | 86-112 |
| **3** | Ledger Accounts, Chart of Accounts, General, Control and Subsidiary Ledgers. Posting Process, Running form and balancing form. Normal Balances of Various Accounts. Trial Balance, Concept, Purpose, Method of Posting,  Forms of Trial Balance, Causes of Difference, Rectification methods. Suspense Account. Journal, Ledger and Trial Balance (Continued) | 113-140 |
| **4** | The Accounting cycle, Measuring business income, Introduction to Income Statement and Balance Sheet.  Income Statement & Balance Sheet (Continued). Adjusting process, Systems of Accounting, Main Types of Adjustments, | 21-36 |
| **5** | Accrue Expenses, Prepaid Expenses, Accrued Revenue, And Unearned Revenue. Depreciation, Provision for Discounts, Drawings,  Adjustments: Interest on Capital & Drawings, Income Tax. Good Distributed as Free Samples, Mutual Indebtedness, Debtors arising out of Dishonor of cheque, Abnormal Loss of Stock, Goods sent of sale or return basis, Interest on loan not yet paid. Closing Stock | 141-160 |
| **6** | Accounts Receivables , Bad Debts Estimation, Ageing, Direct Write off,  Provision For Bad Debts. | 161-190 |
| **7** | Adjusted Trial Balance, Completion of Accounting Cycle, Work sheet,  Completion of Accounting Cycle, Work sheet (Continued). | 190-200 |
| **8** | Financial Statements, Accounting for merchandize business; Closing Entries & Post Closing Trial Balance  Guest Speaker Session.  **Mid Term Examination** | 192-210 |
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| **9** | Special Journals, and Internal control of Cash transactions, The Cash Book and Banking Accounts.  Cash Book Continued, Bank Reconciliation Statement | 211-230 |
| **10** | Bank Reconciliation Statement Continued.  Inventories accounting Methods, Nature and Kinds of Inventories, Perpetual and Periodic Inventory System Inventories accounting Methods, Bin Card, Store Ledger Card, | 288-310 |
| **11** | Specific Costing, fifo, Inventories accounting Methods: fifo, Average Costing, LCM Valuation, Inventories accounting Methods: Gross Profit, Retail Method of Stock Valuation, Year End Shrinkages.  Plant Assets, Depreciation, Methods of Depreciation, | 311-340 |
| **12** | Writing up Asset Account, .Disposal of Plant Assets, Profit & Loss. Trading off the Plant Assets.  Intangible Assets, Amortization and Depletion Methods , Liabilities: Current Liabilities, Accounts Payables, | 341-365 |
| **13** | Notes Payables, Unearned Revenue, Accrued Liabilities. Liabilities: Long Term Liabilities, Bonds and Debentures.  Partnership: Formation, Division of Income and Partnership: Liquidation process; | 430-460 |
| **14** | Corporation: Organization, Meaning of Stock, Classes of Stock, Issue of Stock, Stock value, Stock Dividend  Treasury Stock, Stock split, Stock holder’s Equity statement, Stock holder’s Equity statement | 484-510 |
| **15** | Bonus and Right Issues. Measuring Corporation Income, and Earnings Per Share;  Measuring Cash Flows: Sources of Funds, Uses of Funds. Funds Flow Statement. | 522-560 |
| **16** | Classification of cash flows, Statement of Cash Flows (Indirect Method). Cash Flow Statement (Introduction to Direct Method).  Project Presentations | 570-596 |
| **----------Final Term Examination----------** | |  |

RESEARCH PROJECT /PRACTICALS /LABS /ASSIGNMENTS

Project on Making Accounting Cycle from Real Data by the Students

ASSESSMENT CRITERIA

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| **Individual Class Presentations/Projects\***  Group Project (10%)  Assignments (5%)  Class Quiz/Case Studies (5%) | 20% |
| **Mid Term Examination (1 hour)** | 30% |
| **Final Examination (2 hours)** | 50% |
|  | **100%** |

**BOOKS RECOMMENDED.**

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| **Text Book**  **Reference Books** | **:** | * **Financial and Managerial Accounting:** *The Basis for Business Decision, 16th Edition By Hakka, Bettner, Meigs* * **Principles of Accounting**   *By Micheal ADiamond, Flamholtz*   * **Business Accounting I&II**   *By Frankwood*   * **Intermediate Accounting**   *By Simons & Karrenbrock*   * **Accounting**   *By Horngren/Harrison/Robinson*   * **Accountancy**   *By William Pickles* |