INTRODUCTION TO FINANCIAL ACCOUNTING

AIM:
The general aim of this module is to provide students with a challenging and interesting introduction to the theory and practice of financial accounting. Students will explore how accounting systems identify, collect and record key financial data and how this data is subsequently communicated to interested parties external to the entities that produce them. The module will also begin to develop students’ understanding of the economic function of financial accounting and also its social and political nature. We also aim to help develop certain personal transferable skills, such as gathering, analysing and synthesising information and also working with others.

This is a basic introductory course that assumes no prior knowledge of accounting. The course is designed to help the future manager acquire a sound understanding of the role of accounting in organisations, the principle financial statements and their interpretation and analysis. Students are thus expected to develop a basic theoretical and analytical grasp of financial accounting.
METHOD OF TEACHING & LEARNING:
- Lectures (Mondays and Tuesdays 4-5 pm)
- Tutorials (Tuesday mornings)
- Group and Independent Study
- Revision and Problem clinics

LEARNING OUTCOMES:
By the end of the module, students should be able to:
- Critically appraise the roles of financial accounting in organisations and in society
- Explain the meaning of key financial accounting terms
- Describe the nature and purpose of financial accounting information
- Explain and interpret basic accounting records
- Explain and illustrate a number of the key concepts relevant to practice
- Identify and explain revenue recognition following the accruals concept
- Account for fixed assets and stocks
- Conduct a basic analysis of financial statements
- Utilise quantitative skills in the analysis of financial data
- Effective problem solving
- Effective communication through written and oral contributions

INDICATIVE TOPIC OUTLINE:
Lecture Topics per week:

- Week 1: Introduction: What is accounting?
- Week 2: The Statement of Financial Position
- Week 3: The Income Statement
- Week 4: Depreciation
- Week 5: Accounting conventions
- Week 6: Understanding financial reports
- Week 7: The Statement of Cash Flows

ASSESSMENT:
- Class test: the assessed class test will consist of a number of short answer calculation questions and multiple-choice questions, and will test knowledge of key accounting concepts and the calculations required for the preparation of financial statements. It will account for 10% of the final module mark.
- Two-hour written examination: this will count toward 30% of the module mark. The examination tests specific knowledge of accounting and financial statements under time constrained conditions.

CORE READING LIST:
- You will be encouraged to consult corporate annual reports and to gain a familiarity with the financial press throughout the module.
- You will be advised of the required textbook when we start the module.