

Course Title	Introduction to Financial Accounting				
Course Code	AEF110				
Course Type	Compulsory				
Level	Bachelor (1 <sup>st</sup> Cycle)				
Year / Semester	1 <sup>st</sup> Year / 1 <sup>st</sup> Semester				
Teacher's Name	TBA				
ECTS	6	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	<p>This course introduces the field of accounting and the use of accounting information as a basis for business decisions. It provides to students a better understanding of the environment in which accounting information is developed and used. This course concentrates on a user-oriented approach thus enabling students to become life-long information users.</p>				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> <li>• Define the purpose of accounting theory.</li> <li>• Discuss the link between standard setting and theory formulation.</li> <li>• Review the history of accounting standard-setting in the European Union, and apply this knowledge when explaining the current standard-setting environment.</li> <li>• Explain the purpose of accounting, the financial reporting process and the accounting principles underlying the preparation of these reports; comprehend the use of financial statements by outsiders and the types of business organizations.</li> <li>• Apply double-entry bookkeeping principles including maintenance of accounting records and source of information.</li> <li>• Explain the main types of ledger accounts and books of prime entry, and analyze their nature and function and illustrate how to balance and close a ledger account</li> <li>• Explain accounting for transactions in the books of merchandizing companies</li> <li>• Account for petty cash and calculate the inventory cost using various valuation methods</li> <li>• Explain the use of the trial balance, the income statement and the statement of financial position</li> </ul>				

	<ul style="list-style-type: none"> <li>• Prepare a trial balance, an income statement, a statement of financial position and balance off the accounts prior to the preparation of the financial statements</li> <li>• Explain the accounting transactions in relation to capital and revenue expenditures, the various depreciation methods, the revaluation of non-current assets and their disposal</li> <li>• Explain the need for the bank reconciliation and be able to prepare one</li> <li>• Explain what control accounts are and their operation</li> <li>• Explain what irrecoverable debts and allowances are for accounts receivable and be able to apply the accounting procedures for the above.</li> </ul>		
Prerequisites	None	Co-requisites	None
Course Content	<ol style="list-style-type: none"> <li>1. Introduction to Accounting: Understand various issues related to Accounting Theory; Understand the purpose of financial reporting; the types of business entities; the nature, principles and scope of financial reporting, the needs of the users and stakeholders; the main elements of financial reports</li> <li>2. Sources, records and books of prime entry: Understand the role of source documents; the need for books of prime entry; the sales and purchases day books; the cash books and the petty cash</li> <li>3. Ledger accounts and double entry: Understand the need for ledger accounts; the nominal ledger; the accounting equation; the double entry bookkeeping; the journal; the day book analysis; the imp rest system; the receivables and payables ledger</li> <li>4. Financial statements: Prepare a trial balance; an income statement; a statement of financial position for a sole trader; balance the ledger accounts prior to the preparation of financial statements</li> <li>5. Sales tax: Understand the nature of sales tax; perform accounting for sales tax</li> <li>6. Inventory: Calculate cost of sales; perform the accounting for opening and closing inventories; count inventory at year end; perform inventory valuation in accordance with IAS2</li> </ol>		

	<p>7. Tangible non-current assets: Differentiate between capital and revenue expenditure; perform accounting for depreciation; apply the different depreciation methods; revaluation of non-current assets; disposal of non-current assets; apply the IAS16</p> <p>8. Bank reconciliations: Understand the difference between the bank statement and the cash book; explain the need for a bank reconciliation; perform bank reconciliation</p> <p>9. Control accounts: Explain the need for control accounts, their purpose and operation</p> <p>10. Irrecoverable debts and allowances: Explain the concepts underlying the irrecoverable debts and allowances; the risk involved in credit transactions; perform accounting procedures in respect to irrecoverable debts and allowances</p> <p>11. Preparation of financial statements for sole trader Prepare a statement of financial position and an income statement of comprehensive income for sole traders</p> <p>12. Incomplete Records Understand and apply techniques in incomplete record situation Recent developments and contemporary issues pertaining to the subject matter of the course.</p>
Teaching Methodology	Face To Face
Bibliography	<p>Meigs, Williams, Haka and Bettner, Financial and Managerial Accounting; the Basis for Business Decisions, Latest Edition, McGraw Hill.</p> <p>BPP Notes for F3 –ACCA, Latest Edition</p> <p>Benedict, A. and Elliott, B., Financial Accounting: An Introduction, FT Prentice Hall, Latest Edition</p> <p>Britton, A. and Waterston, C, Financial Accounting, FT Prentice Hall, Latest Edition</p>

	<p>D Alexander &amp; C Nobes. FINANCIAL ACCOUNTING, An International Introduction , Latest Edition, FT Prentice Hall</p> <p><b>Relevant teaching material from the following organizations:</b></p> <p>ACCA - <a href="http://www.accaglobal.com/students">http://www.accaglobal.com/students</a></p> <p>BPP - <a href="http://www.bpp.com/acca/papers/f3/">http://www.bpp.com/acca/papers/f3/</a></p> <p>Kaplan  <a href="http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx">http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx</a></p>		
Assessment	Examinations Class Participation and Attendance Assignments	80%	
		10%	
		10%	
		100%	
Language	English		