

Course unit title:	Principles of Accounting
Course unit code:	ACC103
Type of course unit: (Compulsory/optional)	Optional
Level of course unit: (First, second or third cycle)	Bachelor (1 st Cycle)
Year of study:	3 or 4
Semester when the unit is delivered:	5,6,7,8
Number of ECTS credits allocated:	6
Name of lecturer(s):	TBA
Learning outcomes of the course unit:	
<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Apply accounting concepts and qualitative characteristics of financial reporting • Explain the different methods of depreciation and apply the methods as part of the preparation of the accounting records • Explain the differences between tangible and intangible fixed assets • Explain the difference between accruals and prepayments and account for such in the books and records of the business • Explain the purpose of the inclusion of the allowance for uncollectible accounts in the books and records and apply for it using the acceptable methods • Prepare the basic financial statements for a company using various transactions and events occurred during a specific time period • Explain the need of the bank reconciliation 	
Mode of delivery:	Face-to-face
Prerequisites and co-requisites:	ACC112
Recommended optional program components:	None
Course contents:	
<p>Objective: The aim of this course is to provide students with a better understanding of the environment in which accounting information is developed and used, shift emphasis from the preparation of accounting information to its interpretation and use and examine the student's understanding to the whole range of accounting concepts and techniques.</p> <p>Description: Partnerships:</p>	

Describe the basic characteristics of a partnership; discuss the advantages and disadvantages of a partnership as a form of business organization; distinguish between a regular partnership and a limited partnership among partners; account for the admission of a new partner and the withdrawal of a partner; account for the liquidation of a partnership.

Accounting Concepts, Professional Judgement and Ethical Conduct:

Explain the need for recognized accounting standards; Discuss the nature and sources of generally accepted accounting principles; Discuss the accounting principles and concepts; Explain the percentage-of-completion method of income recognition; Define an independent audit and discuss the assurances provided by the auditor's report; Describe the role of professional judgement in the financial reporting process; explain the basic purpose of a code of ethics within a profession; Identify two professional associations that have issued codes of ethics within a profession; Identify two professional associations that have issued codes of ethics for accountants, and indicate the areas of professional activity emphasized in each code; Apply the basic concepts of ethical conduct to various situations likely to arise in accounting practice.

Corporations: Operations and Additional Stockholders' Equity Transactions:

Describe how discontinued operations, extraordinary items, and accounting changes represented in the income statement; Compute earnings per share; Distinguished between primary and fully dilute earnings per share. Account for stock dividends and stock splits, and explain the probable effect of these transactions upon market price; Describe and prepare a statement of retained earnings; Define prior period adjustments and explain how they are presented to financial statements; Account for treasury stock transactions; Describe and prepare a statement of stockholder's equity.

Special Types of Liabilities:

Describe the typical characteristics of corporate bonds; Explain the tax advantage of raising capital by issuing bonds instead of stock; Account for the issuance of bonds, accrual and payment of interest, and retirement of bonds; Describe the relationship between interest rates and bond prices; explain the effects of amortizing bond discount and premium upon bond interest expense; explain the accounting treatment of operating leases and of capital leases; Account for the costs of pensions and other post retirement benefits; Explain the nature of deferred income taxes; Amortise bond discount and premium by the effective interest method.

Investments in Corporate Securities:

Account for short-item investments in stocks and bonds; Account for an investment in common stock by the equity method; Explain how a parent company "control" its subsidiaries; Describe the distinctive feature of consolidated financial statements; Explain why intercompany transactions must be eliminated as a step in preparing consolidated financial statements; Prepare a consolidated balance sheet.

Measurement of Cash Flows:

Explain the purpose and usefulness of a statement of cash flows; Describe how cash transactions are classified within a statement of cash flows; Compute the major cash flows

relating to operating activities; explain why net income differs from net cash flow from operating activities. Distinguish between the direct and indirect methods of reporting operating cash flow; Compute the cash flows relating to investing and financing activities; explain why and how non-cash investing and financing activities are disclosed in a statement of cash flows; compute net cash flow from operating activities using the indirect method.

Analysis and Interpretation of Financial Statements:

Put a company's net income into perspective by relating it to sales, assets, and stockholder's equity; Describe several sources of financial information about a business; Explain the uses of dollar and percentage changes, trend percentages, component percentages, and ratios; Discuss the "quality" of a company's earnings, assets, and working capital; Analyze financial statements from the viewpoints of common stockholders, creditors, and others; Compute the ratios widely used in financial statement analysis and explain the significance of each.

Recent developments and contemporary issues pertaining to the subject-matter of the course.

Recommended or required reading:

Textbook:

BPP Notes for F3 -ACCA

Williams, Haka, Bettner : FINANCIAL AND
MANAGERIAL ACCOUNTING:
and Meigs THE BASIS FOR
BUSINESS DECISIONS,
McGraw Hill.

Recommended reading(s):

Wood, F & Sangster, A. : Business Accounting 1,
10th Ed., Pearsons
Education Ltd London
[ISBN: 0-272-68149-4] ,
2005.

Pyle and Larson: FUNDAMENTAL ACCOUNTING
PRINCIPLES

Needles, Anderson, : PRINCIPLES OF ACCOUNTING
Caldwell

Meigs and Meigs: ACCOUNTING: THE BASIS FOR
BUSINESS DECISIONS

	<p>Fees, Warren: ACCOUNTING PRINCIPLES</p> <p>Walter B. Meigs: ACCOUNTING: THE BASICS FOR BUSINESS DECISIONS, Robert F. Meigs McGraw Hill</p> <p>Foulks Lynch:PAPER 1.1. - Preparing Financial Statements ACCA(International)</p> <p>Journal of Accountancy</p>										
Planned learning activities and teaching methods:	<table> <tr> <td>Class Instruction:</td> <td>42 Hours</td> </tr> <tr> <td>Consultation:</td> <td>15 Hours</td> </tr> </table>	Class Instruction:	42 Hours	Consultation:	15 Hours						
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Assessment methods and criteria:	<table> <tr> <td>Mid-term Examination</td> <td>25%</td> </tr> <tr> <td>Final Examination</td> <td>40%</td> </tr> <tr> <td>Term-Paper</td> <td>20%</td> </tr> <tr> <td>Quizzes and Participation</td> <td>15%</td> </tr> <tr> <td></td> <td>100%</td> </tr> </table>	Mid-term Examination	25%	Final Examination	40%	Term-Paper	20%	Quizzes and Participation	15%		100%
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Language of instruction:	English										
Work placement(s):	No										
Place of Teaching:	Regular Classroom European University Cyprus, Nicosia										