



Course information 2024-25

AC1025 Principles of Accounting

General information

MODULE LEVEL: 4

CREDIT: 30

NOTIONAL STUDY TIME: 300 hours

MODE: Locally Taught, Independent Learner Route and Online Taught

Summary

This course introduces financial and management accounting. It is aimed at providing a broad understanding of the theory and practice of financial accounting, management accounting and financial management, both for non-specialist students and as a foundation for further study in the area. This course does not focus on the technical aspects, but rather examines the basic principles and underlying concepts and the ways in which accounting statements and financial information can be used to improve the quality of decision-making.

Conditions

Please refer to the relevant programme structure in the EMFSS Programme Regulations to check:

- where this course can be placed on your degree structure; and
- details of prerequisites and corequisites for this course.

You should also refer to the Exclusions list in the EMFSS Programme Regulations to check if any exclusions apply for this course.

Aims and objectives

The aims and objectives of the course are to:

- introduce you to the principles underlying accounting,
- enable you to apply, interpret and explain key accounting techniques,
- provide a broad understanding of the theory and practice of financial and management accounting,
- demonstrate the use and impacts of accounting practices in real-world contexts.

Learning outcomes

At the end of this course, and having completed the Essential Reading and activities, students should be able to:

- distinguish between different uses of accounting information and relate these uses to the needs of different groups of users.
- explain the limitations of such statements and their analysis.
- categorise cost behaviour and prepare and contrast inventory valuations under different costing methods.
- describe the budgeting process and discuss the use of budgets in planning and control.
- explain, discuss, and apply relevant techniques to aid internal users in decision-making.

Employability skills

Below are the three most relevant employability skills that students acquire by undertaking this course which can be conveyed to future prospective employers:

1. Decision making
2. Complex problem-solving
3. Leadership

Essential reading

Leiwy, D. and Perks, R. Accounting: Understanding and Practice, (Maidenhead: McGraw-Hill, 2013) fourth edition. [ISBN-13: 978-0077139131]

Assessment

This course is assessed by a three-hour and fifteen-minute closed-book written examination (80%) and a sixty-minute Multiple Choice Question assessment (20%). The Multiple Choice Question assessment will examine students' knowledge on Chapters 2 – 10 of the Subject Guide (Locally Taught and Independent Learner students) and up to and including unit K (Online Taught students).

Syllabus

This course is designed to introduce you to accounting and financial management. Traditionally concerned with measuring, recording, and reporting financial transactions and events, modern accounting provides a broad range of information for a wide variety of users. Financial accounting and reporting is primarily concerned with the needs of users outside the business, such as shareholders, regulators and creditors. In contrast, management accounting and financial management is concerned with the needs of users who are internal to the business, such as directors, managers, and employees.

The course is arranged in two sections. The first section introduces and explains financial accounting concepts and conventions and provides a grounding in double-entry bookkeeping and the preparation of the primary financial statements. The second section introduces a range of applications and techniques for planning, decision-making and control.

Section 1 Financial accounting

Accounting harmonisation and International Financial Reporting Standards. Accounting concepts and conventions: their nature, purposes, and limitations. How to prepare and interpret financial statements: 'Statement of Financial Position', income statement and statement of cash flows. Analysis and interpretation of financial statements.

Section 2 Management accounting and financial management

Cost behaviour, marginal and total absorption costing for inventory. Cost-volume-profit analysis. Introduction to budgetary planning and control, including standard costs, targets, and variance analysis. Making capital investment decisions.