

KARACHI UNIVERSITY BUSINESS SCHOOL

UNIVERSITY OF KARACHI

BBA – I (Hons.)

Course Title	: PRINCIPLES OF ACCOUNTING
Course Number	: BA (H) – 331
Credit Hours	: 03

Objective

This course basically deals with the fundamentals of accounting. The objectives of this course is to provide the students with an applied knowledge of accounting concepts, principles, procedures, systems for preparation of financial statements, accounting treatment of current assets and liabilities, tangible and intangible assets. Students should become adept at classifying problems, situations and applying the required accounting principles.

Course Contents

1. Introduction of Accounting, Accounting Concepts and Principles

- 1.1 Basic Principles of Accounting
- 1.2 Concepts and Conventions Underlying Accounting Statements (GAAP)
- 1.3 The Impact of International Accounting Standards as Applicable In Pakistan, Introduction to IAS and Their Application
- 1.4 Methods of Assets Valuation and Their Impact on Income Statement and Balance Sheet.

2. Accounting Procedures and Systems

- 2.1 Principles of Double Entry Book Keeping
- 2.2 Accrual-Based Accounting System
- 2.3 Adjusting, Closing and Reversing Entries
- 2.4 Methods of Keeping and Presenting Books of Prime Entry (Cash Book, Petty Cash Book, Sales Journal, Purchase Journal, Purchase and Sales Return Journals etc.)
- 2.5 Principle and Subsidiary Ledgers
- 2.6 Trial Balance
- 2.7 Impact of Accounting Standards
- 2.8 Classification of Expenditure between Capital and Revenue
- 2.9 Prepayments and Adjustments
- 2.10 Accounting Cycle and Their Steps
- 2.11 Preparation of Worksheet.

3. Financial Statements

- 3.1 Definition and Scope of Financial Accounting
- 3.2 Account of Manufacturing and Trading Concerns
- 3.3 Component of Financial Statements Like
- 3.4 Income Statement for Merchandising and Services Business
- 3.5 Balance Sheet
- 3.6 Cash Flow Statements as per International Accounting Standard (IAS-1) (Revised)

4. Cash Control and Financial Assets

- 4.1 Financial Assets and Their Recognition
- 4.2 Cash Management
- 4.3 Internal Control
- 4.4 Control of Receipts and Payments
- 4.5 Petty Cash System
- 4.6 Bank Reconciliation Statement and Adjusting Entries
- 4.7 Voucher System
- 4.8 Voucher Register and Cheque Register

5. Receivables and Payables

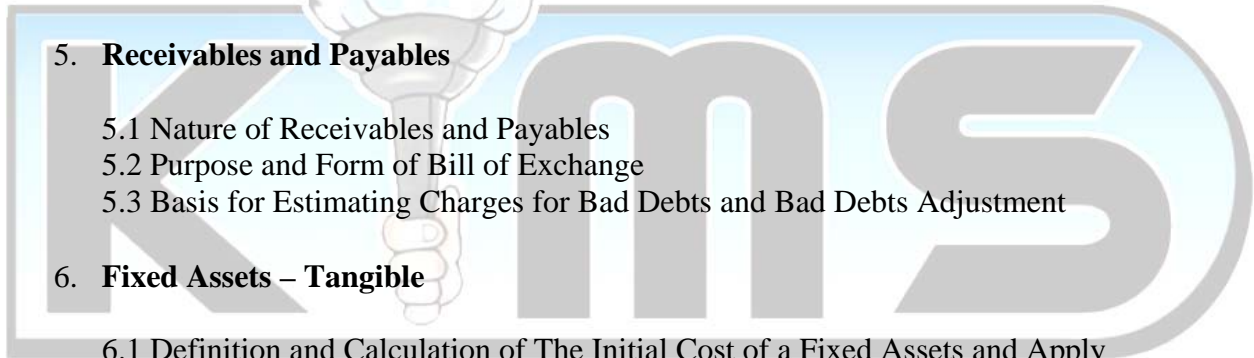
- 5.1 Nature of Receivables and Payables
- 5.2 Purpose and Form of Bill of Exchange
- 5.3 Basis for Estimating Charges for Bad Debts and Bad Debts Adjustment

6. Fixed Assets – Tangible

- 6.1 Definition and Calculation of The Initial Cost of a Fixed Assets and Apply This To Various Examples of Expenditures Distinguishing Between Capital And Revenue Items
- 6.2 Subsequent Expenditures that may be Capitalized
- 6.3 Accounting for Gains and Losses on the Disposal of Asset
- 6.4 Methods and Calculation of Depreciation like Straight Line, Diminishing Balance, Units of Production, Sum-of-the-Year-Digit Method, Units Hours Work Method. As Per International Accounting Standard (IAS-16)

7. Intangibles

- 7.1 Nature and Composition of Intangible Assets
- 7.2 Accounting Treatment for Intangibles Assets



Recommended Books

1. Horngren, Harrison, Robinson, Accounting, Prentice Hall Inc., 3rd Edition, 1995.
2. Robert. Meigs, Williams Jan R., Haka Susan F., Bettner Mark S., Accounting, McGraw Hill, 10th Edition, March 1996.
3. Sticky and Weif, Financial Accounting, Harcourt, 9th Edition, 2000.

