

KARACHI UNIVERSITY BUSINESS SCHOOL

UNIVERSITY OF KARACHI

Affiliated Colleges

MBA – I	
Course Title	: Fundamentals of Accounting
Course Number	: BA (M) – 521
Credit Hours	: 03

Recommended Books:

1. E. Meigs, Meigs, Williams, Susan F. Haka, Mark S. Bettner, “Accounting: The Basis of business Decision”, McGraw-Hill, Inc. 11th Edition, 1999
2. Kermit D. Pyle William W, “Fundamental Accounting Principles”, Richard D. Irwin.

COURSE CONTENT

1. INTRODUCTION TO ACCOUNTING PROFESSION AND GENERALLY AND ACCEPTED ACCOUNTING PRINCIPLES:

Definition and purpose of book-keeping and accounting, the role of international Accounting Standards Committee, the Standard setting process in Pakistan, basic principles of accounting, concepts and conventions underlying accounting statements, the impact of international accounting standards on financial, the accounting equation users of accounting statement and their information requirements, for role and place of an accounting in the management, (Preface to the statements of IAS)

2. ACCOUNTING PROCEDURES AND SYSTEMS

Double-entry book-keeping and accounting, forms and contents of accounting records (manual and computerized) books of original entry, journal, sales and purchases journals: returns journals, cash receipt & payment journals, cash book, general ledger, trial balance, classification of expenditure between capital and revenue, accruals and deferrals, prepayments and adjustments: correction of errors, preparation of worksheet.

3. FINANCIAL STATEMENTS:

Manufacturing and non-manufacturing concerns, income statement, balance sheet

4. CASH CONTROL:

Cash of management, internal control, control of receipts and payments, petty cash system, bank reconciliation statement and adjusting entries, voucher system, voucher register, insurance register.

5. RECEIVABLES AND PAYABLES:

Nature of receivables and payables, accounts receivable and notes receivable, Promissory notes, valuation of receivables, basis for estimating charges for bad debts, bad debts adjustment based on sales, bad debts adjustment based on receivables, notes and accounts payable, valuation of payable, accrued liabilities, bills of exchange, accommodating bills.

6. INVENTORY ACCOUNTING:

Nature and classes of inventories, inventory valuation, LIFO, FIFO & HIFO methods, weighted average method, inventory valuation at cost or NRV whichever is lower, gross profit method, retail inventory method, base stock method, perpetual inventory & periodic inventory system.

