



**Diploma in Finance (530) – Financial & Managerial Accounting**




<b>Prerequisites:</b> Knowledge of accounting and financial terminology.	<b>Corequisites:</b> Completion of Diploma in BA & Computer Systems or Diploma in Accounting & Finance or equivalence.
<p><b>Aim:</b> Financial Accounting prepares a limited number of prescribed financial reports in accordance with statutory standards and the needs of external stakeholders. Financial Accounting summarizes the consequences of past decisions on the performance of the business as a whole. Management Accounting prepares an unlimited number of financial reports in accordance with business requirements and the needs of management. Management Accounting analyses the performance of units within the business by comparing results with preset budgets and so assists management in their future planning and control functions. Financial Accounting emphasis is how general purpose financial statements communicate information about the business corporation's performance and position for users external to management. Approximately one third of the course emphasizes how the accountant processes and presents the information and includes exposure to recording transactions, adjusting balances and preparing financial statements for service and merchandise firms according to established rules and procedures. The balance of the course examines major elements of the statements such as cash, receivables, inventory, long-lived assets, depreciation, payroll, bonds, and other liabilities and stocks. Concepts of this course are applied to Managerial Accounting Management Accounting for internal reporting and decision-making introduces a business-management approach to the development and use of accounting information. Major topics include cost behaviour, cost analysis, profit planning and control measures. Accounting for decentralized operations, capital budgeting decisions, and ethical challenges in managerial accounting are also covered.</p> <p>A combination of Financial and Managerial Accounting give candidates as future Accounting and Reporting Teams the right foundation to produce high-quality results, with full compliance to all international reporting standards: Complete financial accounting integrating accounts payable and receivables, fixed assets and other sub-ledgers into a comprehensive general ledger; powerful management accounting tools for contract, project, product, profit center, profitability, and cost center accounting; comprehensive valuation, reconciliation, closing automation and reporting tools, including master data governance.</p>	
<b>Required Materials:</b> Recommended Learning Resources.	<b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.
<b>Special Requirements:</b> The course requires a combination of lectures, demonstrations and discussions.	
<p><b>Intended Learning Outcomes:</b></p> <ol style="list-style-type: none"> <li>1. Explore Accounting Information and Decision making.</li> <li>2. Outline the accounting process (accounting cycle) activities that begin with a transaction and ends with the closing of the books.</li> </ol>	<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1.1 Analyse functions on an Accounting system</li> <li>1.2 Describe primary financial statements</li> <li>1.3 Outline elements of financial statements</li> <li>1.4 Demonstrate the importance of financial statements and quantitative analysis</li> <li>2.1 Identify the use of accounts</li> <li>2.2 Outline accruals and deferrals</li> <li>2.3 Outline the accounting cycle steps</li> <li>2.4 Be able to identify the transaction</li> <li>2.5 Be able to prepare the transaction's source document</li> <li>2.6 Analyse, classify and record the transaction</li> </ol>

3. Describe the double-entry Accounting system.	<p>2.7 Demonstrate how to post general journal entries to the ledger accounts</p> <p>3.1 Describe the debit/credit terminology</p> <p>3.2 Explore the general ledger accounts</p> <p>3.3 Identify debit/credit relationships</p> <p>3.4 Describe posting errors including (i) posting the wrong amount (ii) omitting a posting (iii) posting in the wrong column (iv) posting more than once</p> <p>3.5 Be able to produce a trial balance</p> <p>3.6 Be able to produce an income statement</p> <p>3.7 Be able to design a balance sheet</p> <p>3.8 Be able to analyse and correct discrepancies in the trial balance</p>
4. Demonstrate the purpose of the trading account and define (i) gross profit (ii) cost of sales and how to prepare a trading account from the trial balance.	<p>4.1 Describe trading accounting terminology</p> <p>4.2 Explore credit and discount terms</p> <p>4.3 Analyse production and administrative costs</p> <p>4.4 Be able to produce consolidated statements</p> <p>4.5 Analyse purchasing and inventory control process</p> <p>4.6 Analyse sales inventory and operations</p>
5. Define inventory management and analyse how effective inventory management help knowing what is on hand, where it is in use, and how much finished product results.	<p>5.1 Define inventory</p> <p>5.2 Outline inventory valuation methods</p> <p>5.3 Compare and contrast inventory cost flow methods</p> <p>5.4 Describe fraud avoiding mechanisms</p> <p>5.5 Outline the common components of an inventory management system</p>
6. Understand internal control.	<p>6.1 Outline key features of internal control</p> <p>6.2 Be able to produce bank reconciliation statement</p> <p>6.3 Discuss materiality and financial audits</p> <p>6.4 Internal control and accounting system</p> <p>6.5 Outline how management must identify and establish effective controls</p> <p>6.6 Describe each of the following control activities (i) segregation of duties (ii) proper authorization (iii) adequate documents and records (iv) physical control.</p>
7. Demonstrate how financial control is a critically important activity in helping ensuring that the business is meeting its objectives.	<p>7.1 Fine financial assets management</p> <p>7.2 Explore the valuation of assets</p> <p>7.3 Describe accounts receivable</p> <p>7.4 Outline characteristics of notes receivable (debtors)</p>
8. Define Property, Plant, and Equipment, and Intangible Assets.	<p>8.1 Outline categories of plant assets</p> <p>8.2 Analyse intangible assets</p> <p>8.3 Contrast tangible vs intangible assets</p> <p>8.4 Outline the life cycle of operational assets</p> <p>8.5 Describe the accounting treatment for intangible assets</p>

	8.6	Outline the several differences between accounting for Intangible assets and accounting for plant assets.
9. Outline Current Liabilities Management issues.	9.1	Define liabilities
	9.2	Outline current liabilities and payroll accounting
	9.3	Analyse taxable income
	9.4	Be able to calculate current ratios
	9.5	Be able to measure working capital, payables turnover, and average days' payable.
10. Describe how companies raise long-term finance by selling shares.	10.1	Describe company formation
	10.2	Compare and contrast public and private owned companies
	10.3	Explore shares and bonds
	10.4	Describe financial leverage
	10.5	Analyse Time Value of Money terms
	10.6	Distinguish stock splits and stock dividends
	10.7	Define what are shares and why are they issued
	10.8	Demonstrate how shares are issued
	10.9	Describe the types of shares
	10.10	Explore the advantages of equity finance.
11. Understand globalisation.	11.1	Analyse the adoption of international financial reporting standards
	11.2	Explore foreign currencies and exchange rates
	11.3	Analyse impact of corruption
	11.4	Outline characteristics of business organisations
	11.5	Explore the impact of globalisation on regulations and accounting systems.
	11.6	Explain what the statement of cash flow does
12. Describe the statement of cash flows and financial statement analysis.	12.1	Describe the purpose of statement of cash flow
	12.2	Outline the classification of cash flows
	12.3	Describe tools for analysing financial statements
	12.4	Discuss ratio analysis
	12.5	Describe how the cash flow statement organizes and reports the cash generated and used
13. Explore the Management Accounting system framework.	13.1	Describe Management Accounting framework
	13.2	Contrast financial accounting vs management accounting
	13.3	Describe the type of information used by internal users
	13.4	Discuss emerging trends in management accounting
	13.5	Describe Management Accounting tasks, the roles and activities of management

14. Describe the number of decision-making tools for conversion of all operating costs and expenses into fixed and variable components.	<p>accountants</p> <p>14.1 Define operating leverage</p> <p>14.2 Explore risk and reward assessment</p> <p>14.3 Identify the allocation of indirect cost</p> <p>14.4 Distinguish direct vs indirect costs</p> <p>14.5 Identify manufacturing costs</p> <p>14.6 Outline the responsibilities for providing cost behaviour information</p>
15. Demonstrate the important methods of costing; Job Costing, Contract Costing, Batch Costing, Process Costing, Service (Operating) Costing, Operation Costing and Multiple Costing	<p>15.1 Explore the various methods of costing</p> <p>15.2 Define job order costing</p> <p>15.3 Describe Activity-Based Cost (ABC)</p> <p>15.4 Define process costing</p> <p>15.5 Identify Cost-Volume Profit (CVP) analysis</p>
16. Describe the methods for incorporate environmental information into accounting management information systems to all financial decision makers to include environmental criteria in their decisions.	<p>16.1 Outline the decision making steps</p> <p>16.2 Outline the steps in preparing master budget</p> <p>16.3 Define capital budgeting techniques</p> <p>16.4 Describe performance evaluation</p> <p>16.5 Explore the shortcomings for accounting systems as environmental information systems</p>
17. Describe reasons for using a Standard Costing System and summarise Actual Costing, Normal Costing and Standard Costing	<p>17.1 Describe variance analysis</p> <p>17.2 Distinguish material vs labour standards</p> <p>17.3 Analyse material price and usage variances</p>

### Recommended Learning Resources: Financial & Managerial Accounting

<b>Text Books</b>	<ul style="list-style-type: none"> <li>• Financial &amp; Managerial Accounting by Charles T. Horngren, Walter T. Harrison Jr, M. Suzanne Oliver. ISBN-10: 0132782820</li> <li>• Principles of Financial &amp; Managerial Accounting by Jonathan E. Duchac, Carl Warren, James Reeve. ISBN-10: 1111525773</li> <li>• Financial &amp; Managerial Accounting by Jan Williams, Sue Haka, Mark S Bettner, Joseph V Carcello. ISBN-10: 0073526991</li> </ul>
<b>Study Manuals</b> 	BCE produced study packs
<b>CD ROM</b> 	Power-point slides
<b>Software</b> 	None