






**Diploma in Secretarial Studies (777) - Accounting**

<b>Prerequisites:</b> Basic Business organisational knowledge.	<b>Corequisites:</b> A Pass or better in Certificate in Business Studies or equivalence.
<b>Course Description:</b> Accounting emphasises on how general purpose financial statements communicate information about the business corporation's performance and position for users external to management. How the accountant processes and presents information, including exposure to recording transactions, adjusting balances and preparing financial statements for service and merchandise firms according to established rules and procedures. The course also examines major elements of the statements such as cash, receivables, inventory, assets, depreciation, payroll.	
<b>Required Materials:</b> Recommended Learning Resources.	<b>Supplementary Materials:</b> Lecture notes and tutor extra reading recommendations.
<b>Special Requirements:</b> Requires intensive practice outside of class time.	
<p><b>Intended Learning Outcomes:</b></p> <p>1 Describe an organisation's Property, Plant, Equipment, and Intangible Assets Calculating the cost of an asset.</p> <p>2 Describe the Manufacturing Accounts.</p> <p>3 Describe Partnership Accounts. Identify the existence of a partnership. Outline the advantages and disadvantages of operating as a partnership, compared to operating as a sole trader or a limited company. Distinguish between partners Capital and Convent Accounts.</p>	<p><b>Assessment Criteria:</b></p> <p>1.1 Describe and calculate depreciation 1.2 Explain the difference between capital expenditures and revenue expenditures. 1.3 Record entries for discarding, selling, or exchanging plant assets.</p> <p>2.1 Prepare a statement of cost of goods manufactured. 2.2 Explain the basic components of manufacturing cost. 2.3 Prepare an income statement for a manufacturing business. 2.4 Prepare a balance sheet for a manufacturing business. 2.5 Record the end-of-period adjusting entries for a manufacturing business. 2.6 Record closing entries for a manufacturing business. 2.7 Record reversing entries for a manufacturing business. 2.8 Prepare a cost of goods manufacturing schedule. 2.9 Journalise transactions recording the manufacturing process. 2.10 Prepare a trial balance, trading account and balance sheet</p> <p>3.1 Explain the major advantages and disadvantages of a partnership. 3.2 Define and understand the important provisions that should be included in every partnership agreement. 3.3 Describe how to record the partners profits and losses and their drawings in the ledger accounts 3.4 Describe how to record introductions and withdrawals of Capital in the Ledger Accounts. 3.5 Demonstrate how to draft the trading and</p>

	<p>profit and loss and appropriation accounts and the balance sheet for a partnership from a Trial Balance and period end adjustments.</p> <p>3.6 Explain why a revaluation is required after an admission, a change in the profit sharing ratio or a retirement.</p> <p>3.7 Describe Goodwill</p> <p>3.8 Demonstrate how to make appropriate entries in the ledger accounts</p> <p>3.9 Demonstrate how to draft the Partnership Balance sheet after change in the partnership</p> <p>3.10 Describe the appropriation account for a partnership</p> <p>3.11 Demonstrate how to draft a Partnership Balance Sheet after a merger of two sole trader businesses.</p> <p>3.12 Describe dissolution accounting</p>
<p>4 Understand Limited Companies. Explain the characteristics of a limited company. Describe special “hybrid” organisations that have some characteristics of partnerships and some characteristics of limited companies.</p>	<p>4.1 Describe the different types of stock.</p> <p>4.2 Demonstrate how to compute the number of shares of common stock to be issued on the conversion of convertible preferred stock.</p> <p>4.3 Compute dividends payable on stock.</p> <p>4.4 Record the issuance of capital stock at par value.</p> <p>4.5 Define Limited Company and outline the advantages of limited companies over sole proprietorship and partnership</p> <p>4.6 Distinguish between Private and Public Limited Company</p> <p>4.7 Identify the accounting records which a limited company is required to keep by law</p> <p>4.8 Describe the nature and purpose of share capital and reserves</p> <p>4.9 Explain the nature and purpose of a dividend</p> <p>4.10 Define a debenture and outline the advantages and disadvantages of raising finance by issuing debentures rather than ordinary or preference shares</p> <p>4.11 Prepare a balance sheet for a corporation.</p> <p>4.12 Understand how to record stock issued at a premium and stock with no par value.</p> <p>4.13 Record transactions for stock subscriptions.</p> <p>4.14 Describe the capital stock records for a corporation.</p>
<p>5 Understand how to analyse Financial Statements. Understand how to compute and interpret financial ratios that measure profitability, operating results, and efficiency.</p>	<p>5.1 Compute and interpret financial ratios that measure financial strength.</p> <p>5.2 Compute and interpret financial ratios that measure liquidity.</p> <p>5.3 Identify shortcomings in financial statement analysis.</p>
<p>6 Understand how to prepare the Statement of Cash Flows. Be able to distinguish between operating, investing, and financing activities.</p>	<p>6.1 Compute cash flows from operating activities.</p> <p>6.2 Compute cash flows from investing activities.</p>

<p>7 Understand Cost-Revenue Analysis for Decision Making. Be able to explain the basic steps in the decision-making process.</p>	<p>6.3 Compute cash flows from financing activities. 6.4 Describe how to prepare a statement of cash flows. 7.1 Prepare income statements using the absorption costing and direct costing methods. 7.2 Use the contribution approach to analyse the profits of segments of a business. 7.3 Determine relevant cost and revenue data for decision-making purposes.</p>
<p>8 Discuss the shortcomings of interpretation.</p>	<p>8.1 List the internal and external users of accounting information produced by a commercial undertaking. 8.2 Outline what information may be particularly relevant to each user group. 8.3 Explain why understandability is an important characteristic of financial statements 8.4 Identify the major techniques of interpretation</p>
<p>9 Define gearing. Explain and illustrate its importance.</p>	<p>9.1 Define a bonus issue and outline its advantages and disadvantages 9.2 Record a bonus share issue in Ledger accounts 9.3 Define a rights issue and outline the advantages and disadvantages of raising finance by this method 9.4 Distinguish between the market value and nominal value of a share</p>

### **Recommended Learning Resources: Accounting**

<p><b>Text Books</b></p>	<ul style="list-style-type: none"> <li>• Business Accounting &amp; Finance by Tony Davies and Tony Boczko. ISBN-10: 0077108094</li> <li>• Financial Accounting and Reporting by Barry Elliott and Jamie Elliott. ISBN-10: 0273712314</li> <li>• Accounting: Theory and Practice by Michel Glautier and Brian Underdown. ISBN-10: 0273651617</li> <li>• Accounting, 2nd Edition by Michael Jones. ISBN-10: 0470017791</li> <li>• An Introduction to Financial Accounting by Andrew Thomas. ISBN-10: 0077108086</li> </ul>
<p><b>Study Manuals</b></p> 	<p>BCE produced study packs</p>
<p><b>CD ROM</b></p> 	<p>Power-point slides</p>
<p><b>Software</b></p> 	<p>Excel</p>

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