



UNIT OUTLINE

Accounting Fundamentals

UNIT CODE & TITLE	BA507 Accounting Fundamentals
AUTHOR	Jonathan Langton
SCHOOL	School of Business
COURSE	Bachelor of Commerce
PREREQUISITE(S)	Recommended: BA506 Accounting & Business Decisions
COREQUISITE(S)	None
DURATION	One teaching period
CREDIT POINTS	15

OBJECTIVES

This unit is designed to introduce students to fundamental accounting concepts and conventions, to develop skills in double entry accounting procedures in relation to sole traders, partnerships and companies, and to develop an understanding of issues in accounting theory including the elements of financial statements, valuation issues and capital maintenance. More specifically, this unit is designed to enable students to:

Knowledge

- understand the principles of double entry accounting system
- understand the fundamental concepts and conventions of accounting practice
- understand the nature and effect of revenue recognition, valuation, and capital maintenance choices for the users and uses of accounting information
- comprehend pertinent issues in EDP accounting systems

Skills

- develop skills in double entry accounting procedures, including accruals, closing entries, and company equity
- develop skills in preparing profit and loss accounts, balance sheets and cash flow statements for sole traders, partnerships and companies
- develop skills in the use of EDP accounting systems

Values/Attitudes

- appreciate the role of accounting in the functioning of economic entities
- appreciate the importance of judgement in accounting and the need for ethical integrity

CONTENT

- double entry in the context of sole traders, partnerships and companies; accrual accounting; profit and loss account, balance sheet and statement of cash flows; accounting for company equity
- EDP accounting systems: the analysis of EDP systems; the use of a selected accounting system
- selected issues in accounting theory: revenue recognition; valuation issues; users and uses; capital maintenance

Learning tasks and assessment

Learning Task	Assessment (grading)	Weighting
Lectures, at which students are introduced to unit topics		
Prescribed reading, which is intended to reinforce and extend students' understanding of the unit topics		
Tutorial preparation, in which students engage in a process of application by preparing answers to set questions		
Tutorial discussion and correction		
Completion of one assignment, normally based on a manual or an EDP accounting system or both	Written report	20-30%
	Test	10-20%
	Examination	50-60%

METHODOLOGY

Lectures, tutorials, independent reading and tutorial preparation, assignment preparation.

REFERENCES

- Australian Society of Certified Practising Accountants and Institute of Chartered Accountants in Australia. *Accounting Handbook*. Sydney: Prentice Hall, 1998.
- Duffus, A. *Study Guide to Accompany Hoggett & Edwards' Financial Accounting in Australia*. 2nd ed. Brisbane: John Wiley & Sons, 1992.
- Edwards, L., and Perrin, B. *Galaxy Consulting Pty Ltd*. Brisbane: John Wiley, 2004.

- Gaffikin, M. *Principles of Accounting*. 3rd ed. Sydney: Harcourt Brace Jovanovich, 1993.
- Hoggett, J. and Edwards, L. *Financial Accounting in Australia*. 6th ed. Brisbane: John Wiley, 2006.
- Martin, C. *An Introduction to Accounting*. 4th ed. Sydney: McGraw Hill, 1994.
- Trotman, K. and Gibbins, M. *Financial Accounting: An Integrated Approach*. Melbourne: Nelson, 1998.