

2. Introduction to Accounting

1. Module Title	Introduction to Accounting	2. Module Code	
3. Academic Year, Semester, Module Status	2021-22 Fall semester, Full-time		
4. Aims and Learning Outcomes	<p>Most of university graduates, especially those who chose business and administration as a career path, will eventually come in contact with accounting information, usually presented in a very specific language. Their work would require knowledge of "the language of business" as the accounting is being commonly called.</p> <p>The main objective of the course "Introduction to Accounting" is to help students understand the fundamentals of accounting concepts and principles, as well as to develop the capability to perform the basic accounting functions: the recognition, valuation, measurement and recording of the most common business transactions and the preparation of accounting statements.</p> <p>That alone is not enough to become a truly valuable member of a modern business community. The sound knowledge of the purpose and types of businesses as well as the roles and responsibilities of various business stakeholders is a must. Furthermore, structure of efficient business organizations vis a vis their social and environmental responsibility must be also considered.</p>		
Knowledge	Effect Code		Assessment
	Subject	Field	
1. Formulate the fundamental principles of accounting in a business setting.		K_W12	In-class exams, midterm exam.
2. Identify various types of assets, capital, and liabilities.		K_W12	In-class exams, midterm exam.
3. Knowledge of the co-dependence of the different departments of an enterprise.		K_W06	In-class exams, midterm exam.
Skills	Effect Code		Assessment
	Subject	Field	
1. Solve & perform basic bookkeeping problems, including accounting for costs.		K_U01	In-class exams, midterm exam.
2. Create elements of a financial statement: balance sheet, profit and loss statement, cash flow statement.		K_U03	In-class exams, midterm exam.
3. Perform calculations of unit cost of manufacture.		K_U07	In-class exams, midterm exam.
Social Competencies	Effect Code		Assessment
	Subject	Field	
1. Recognize and evaluate ethical considerations in financial accounting affecting the management of the company.		K_K05	In-class exams, midterm exam.

2. Can correctly prioritize certain tasks and functioning of appropriate department in an enterprise.		K_K06	In-class exams, midterm exam.
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6. Lecturer	Name		E-mail
	mgr Deepanshu Lakhwan		lakhwandeepanshu@gmail.com
7. Module Level	Masters		Bachelors
			x
8. Year and Programme	Year		Programme
	1		BA in Management
9. Module Content			
#	Topics Discussed		Hours
Seminar			
1.	Accounting basics • Accounting Equation and terminologies		2.5 h each topic
2.	Purpose of Accounting - its role in business • Categories of financial information users • Ethics in Accounting.		30 h together
3.	Key Generally Accepted Accounting Principles (GAAP) • Regulatory bodies • Branches of Accounting.		
4.	Accounting Methods • The difference between Cash- and Accrual- Basis Accounting.		
5.	Cost Accounting – Concept, Objectives, Types & Methods • Variable and fixed cost • Accounting Break-even point & Contribution margin.		
6.	The Income Statement • Monitoring of Business Performance		
7.	The Balance Sheet • Inventory Valuation – methods.		
8.	The Statement of Retained Earnings • The Cash Flow Statement.		
9.	Overall accounting process from recording of transactions to the preparation of financial statements • The Five types of Accounting • Journals and Ledgers • Double-Entry Accounting.		
10.	Reviewing and Interpreting Annual Reports.		
11.	Evaluating an Organization's Financial Statements.		
12.	Financial Ratios: Liquidity, Profitability, Leverage.		
Workshop			
1.	Accounting basics • Accounting Equation and terminologies		1.25 h each topic
2.	Purpose of Accounting - its role in business • Categories of financial information users • Ethics in Accounting.		15 h together
3.	Key Generally Accepted Accounting Principles (GAAP) • Regulatory bodies • Branches of Accounting.		
4.	Accounting Methods • The difference between Cash- and Accrual- Basis Accounting.		
5.	Cost Accounting – Concept, Objectives, Types & Methods • Variable and fixed cost • Accounting Break-even point & Contribution margin.		
6.	The Income Statement • Monitoring of Business Performance		
7.	The Balance Sheet • Inventory Valuation – methods.		
8.	The Statement of Retained Earnings • The Cash Flow Statement.		
9.	The Double-Entry.		
10.	Liquidity ratios: Current Ratio, Acid Test (Quick Ratio), Days Sales		

Outstanding, Inventory Turnover. 11. Leverage ratios: Debt-to-Equity, Interest Coverage, Cash Flow to Current Maturity of Long-term Debt. 12. Profitability ratios: Return on Equity, Return on Invested Capital, Return on Assets. The primary goal of this workshop is to impart the knowledge to allow students to intelligently solve practical business problems and to apply finance concepts to real finance problems.		
10. Individual Student's Work		
#	Description	Hours
	Covering required readings	25
	Preparation for the in-class exams	20
	Preparation for the midterm exam	20
11. Assessment Methods	Coursework (100%): 1) two in-class exams (30% each), 2) midterm exam (40%).	
12. Assessment Criteria	In order to pass the course student should score at least grade 3.0 (50%) as the total grade for semester. Scoring translates into grades as follows: 50 - 59 points - grade 3 60 - 69 points - grade 3.5 70 - 79 points - grade 4 80 - 89 points - grade 4.5 90 - 98 points - grade 5 98-100 points - grade 5.5 In the case of exceptional student achievements, the lecturer can award a 5.5 mark with fewer points.	
13. ECTS Credits	5	
	Hours	ECTS
	Contact Hours	
	Seminar	1,2
	Workshop	0,6
	Consultation	0,6
	Other Kind of Student's Activity	
	Individual Student's Work	2,6
	SUMM	5
14. Required Readings	1. David Spiceland, Wayne Thomas, Don Herrmann. <i>Financial Accounting</i> McGraw-Hill Education, 5th edition (2018)	
15. Recommended Readings	1. Jerry J. Weygandt, Paul D. Kimmel, Donald E. Kieso. <i>Financial Accounting</i> Wiley, 10th edition (2018)	
16. Place where module is run	LU campus	
17. Other		