

**KARATINA UNIVERSITY**

**SCHOOL OF BUSINESS**

**UCC 200: QUANTITATIVE SKILLS II**

**Contact Hours: 3Units**

**Course Content**

Introduction, record keeping in business, accounting versus book keeping, assets, liabilities, revenues, expenses, the accounting cycle, the conceptual framework of accounting, the basics of double entry accounting and the accounting equation, the journal and the ledger, the trial balance and accounting errors, statement of comprehensive incomes, statement of financial position, analysis of simple financial statements, capital expenditure decisions, interest and loan amortization, budgeting, index numbers and their applications.

**TOPIC ONE: INTRODUCTION TO ACCOUNTING**

1.1 The Nature and Purpose of Accounting

1.2 Users of Accounting Information

1.3 Accounting Concepts and Conventions

1.4 Qualities of useful Financial Information

**TOPIC TWO: RECORDING BUSINESS TRANSACTIONS**

2.1 Introduction

2.2 Components of accounting equations

2.3 Cause of Changes in Capital

2.4 Initial Capital and Final Capital of a Business

2.5 Double Entry Aspects

2.6 Accounting for Sales, Purchases, Incomes and Expenses

2.7 Returns Inwards and Returns Outwards

2.8 Accounting for Drawings, Discounts Allowed and Discounts Received.

**TOPIC 3: SOURCE DOCUMENTS AND BOOKS OF ORGINAL ENTRY**

3.1 Definition and Purpose

3.2 Source Documents

3.3 Books of Prime Entry

3.5 Cash Books

3.6 The General Journal

**TOPIC 4: CONTROL ACCOUNTS**

4.1 Introduction

4.2 Format of a Sales Ledger Control

4.3 Format of a Purchases Ledger Control Account

**TOPIC 5: ERRORS AND CORRECTION**

5.1 Errors that do not affect the ‘balancing’ of Trial Balance

5.2 Errors that affect the ‘balancing’ of Trial Balance and Suspense Account

**TOPIC 6: BANK RECONCIALIATION STATEMENT**

6.1 Introduction

6. 2 Interest and loan amortization

6.3 Purposes of Bank Reconciliation Statement.

**TOPIC 7: FINAL ACCOUNTS**

7.1 Income Statements

7.2 Statement of Financial Position/Balance Sheet

7.3. Capital and Revenue Expenditure

7.4. Capital expenditure decisions

7.5.Loan amortization schedule

7.6. Index numbers and application in accounting

**TOPIC 8: YEAR END ADJUSTMENTS**

8.1 Depreciation

8.2 Methods of Calculating Depreciation

8.3 Accounting Treatment on Depreciation

8.4 Revenue and Cost Recognition

8.5 Prepayments

8.7 Bad & Doubtful Debts

8.8 Provision for Discounts Allowable

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| **Course Assessment** |  |
| Examination (Week 13 -14) | - 70% |
| Continuous Assessment Test (CATS) | - 20% |
| Assignments | - 10% |
| Total | - 100% |

**Recommended Text Books:**

 Honrgren and Sundem, G. L, *Introduction to Financial Accounting,* (6th Edition),

New York; Prentice Hall.

 Heinz and Party, college accounting, 18th edition.

 International accounting standards (IASs) and International reporting standards

(IFRs)

* David K. Wang’ombe, *Fundamentals of Accounting* (Professional Excellence Series),

 KASNEB newsletters.

 The Journal of Accounting & Finance.

 Wood, Frank, *Business Accounting* (17th Edition), International Thompson.

Other support materials: Various applicable manuals and journals; variety of electronic information resources.