

**MG-108 Fundamentals of Accounting**  
**Course Outlines**  
**BSCS&SE-2019**

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**Course Description and its Learning Objectives**

This is an introductory level course, aimed at students with no background knowledge in accounting and finance. The course starts with a general motivation behind studying accounting. It gradually builds on concepts and accounting principles to enable students to record entries and process them through the accounting cycle. The ultimate objective is to produce a set of financial statements and analyze them for decision making. In addition, the course also introduces the basic concepts from finance to enable students understanding viable investment decisions. Specifically, upon completion students should be able to:

- Understand the need for doing accounting from the users' perspective.
- Understand all the steps in the accounting cycle and the accounting principles.
- Prepare the financial statements and understand their role in making better and efficient decisions.
- Understand the basic finance concepts and evaluate financial viability of a business or project.

**Evaluation Criteria**

- |                             |        |
|-----------------------------|--------|
| • Mid-term examinations (2) | 30-40% |
| • Final examination         | 50-55% |
| • Quizzes and assignment    | 10-20% |

## Weekly Schedule

| S. No | Description  | Week  |
|-------|--|-------|
| 1     | <ul style="list-style-type: none"><li>• Motivation behind studying accounting</li><li>• An objective of accounting</li><li>• Stakeholders in decision making</li></ul>   | 1     |
| 2     | <ul style="list-style-type: none"><li>• An introduction to Balance Sheet (Structure, Assets, Liabilities, and Equity)</li><li>• An introduction to Income Statement (Structure, Revenues and Expenses)</li></ul> | 2     |
| 3     | <ul style="list-style-type: none"><li>• Debit and Credit rules for Assets, Liabilities, Equity, Revenues, Expenses, and Drawings.</li></ul>  | 3     |
| 4     | <ul style="list-style-type: none"><li>• The Accounting Cycle</li><li>• Making entries in General Journal</li><li>• Posting entries to their respective ledgers</li><li>• A Walk-through example</li></ul>        | 4 & 5 |
| 5     | <ul style="list-style-type: none"><li>• Accounting principles: Going-concern, Historical Cost, Objectivity, Consistency, Realization, Prudence, and Matching.</li></ul>  | 6     |
| 6     | <ul style="list-style-type: none"><li>• The Trial Balance</li><li>• Adjusting entries</li><li>• The Adjusted Trial Balance</li><li>• Correcting mistakes</li></ul>   | 7 & 8 |

|    |   |         |
|----|---|---------|
| 7  | <ul style="list-style-type: none"> <li>• Closing entries</li> <li>• After-closing Trial Balance</li> </ul>  | 9       |
| 8  | <ul style="list-style-type: none"> <li>• Preparation of Balance Sheet</li> <li>• Preparation of Income Statement</li> <li>• Articulation among financial statements</li> </ul>                                      | 10      |
| 9  | <ul style="list-style-type: none"> <li>• Financial statements analysis</li> <li>• Measures of profitability, liquidity and risk</li> </ul>  | 11      |
| 10 | <ul style="list-style-type: none"> <li>• Time allowed for 2 sessional examinations</li> </ul>   | 12      |
| 11 | <ul style="list-style-type: none"> <li>• Introduction to Finance</li> <li>• Time value of money</li> </ul>  | 13      |
| 12 | <ul style="list-style-type: none"> <li>• Valuation of financial assets, projects, and businesses.</li> <li>• Estimation of cash flows</li> <li>• Risk and return</li> <li>• Capital budgeting techniques</li> </ul> | 14 & 15 |
| 15 | <ul style="list-style-type: none"> <li>• Revision of the core concepts</li> </ul>   | 16      |

### **Required Textbook**

Accounting by Meigs, William, Haka, and Betner.

