

COURSE CONTENTS

Day 1

- Accounting Overview
 - What is Debit Credit
 - Introduction to Journal entry with exercise
 - Books of accounts maintained by a bank, supplementary, cash book General Ledger
- Banking: basic concepts
 - Banking system
 - Types of bank
 - Introduction to Financial instruments
 - Liquidity maintenance
 - Central Bank and its functions

Day 2

- Retail Banking
 - Asset and Liability of a bank
 - Features of asset and liability products
 - Classification of customers
 - Recovery operations at the Branch
 - Service channels of bank
- Cheques and Clearing
- Locker and Vault functions at bank
- Introduction to Debit and Credit Card
- Islamic Banking
- Introduction to Cross Selling
- Audit and Inspections
- Overview Of Anti Money Laundering
- Introduction to Basel II

ACCOUNTING

- ▶ “Accounting is the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and of financial character and interpreting the results thereof”.



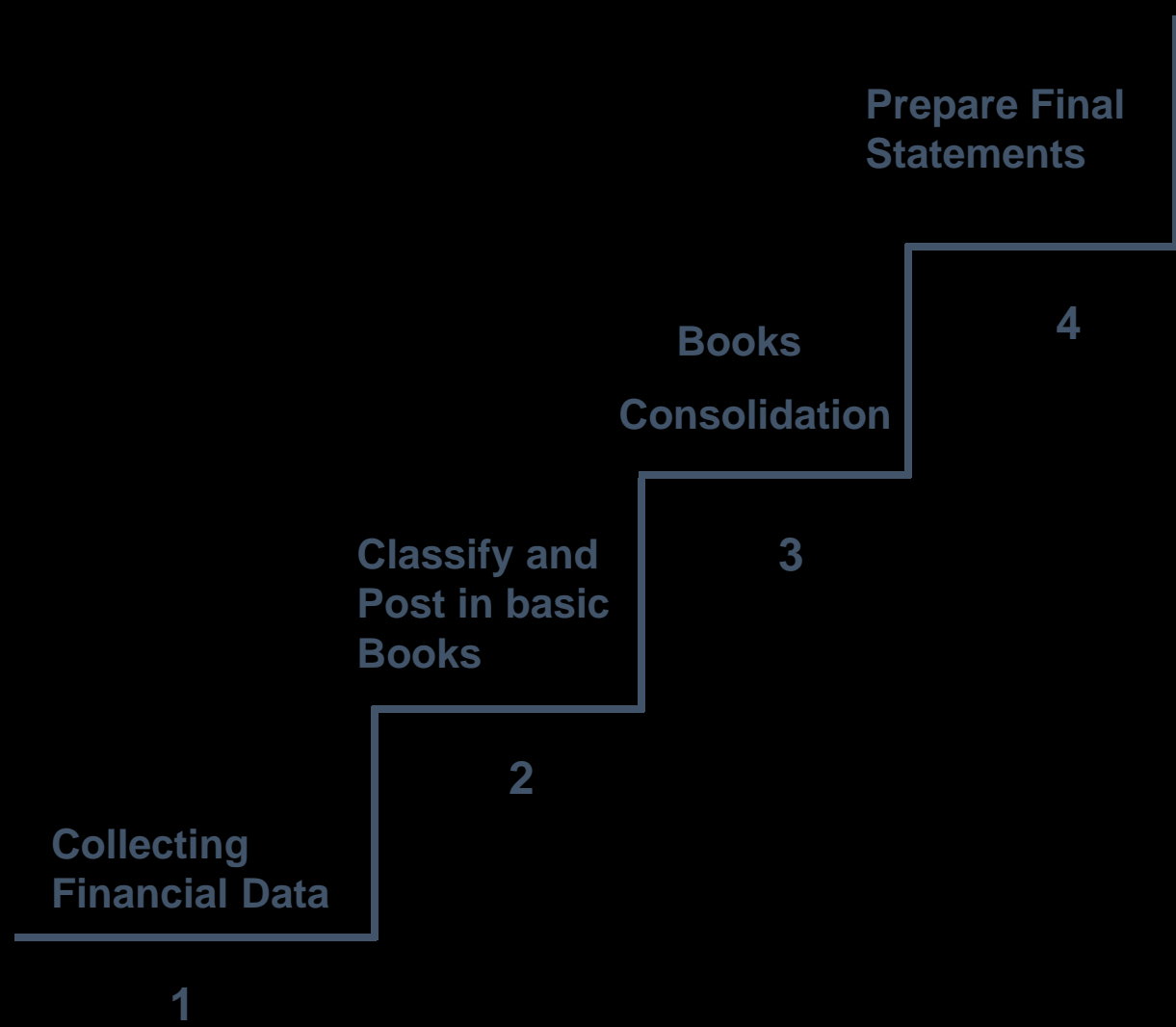
WHY ACCOUNTING ?

- ▶ Common representation form
- ▶ Easy to understand by every one
 - by all (Customer, Share holder, Investor)
- ▶ Business value representation
 - Profit
 - Financial condition
 - Operation efficiency
- ▶ Performance Analysis
- ▶ Monitor by Government and RBI
- ▶ Suggestion and future scope (Product wise, Cost location wise, Business unit wise)

FINANCIAL ACCOUNTING

- ▶ Accounting information that is designed to satisfy the needs of resource owners (external users) is called financial accounting. Investors, creditors, and brokers represent external users - they are interested in a company since they have money invested in it, etc.

FINANCIAL ACCOUNTING

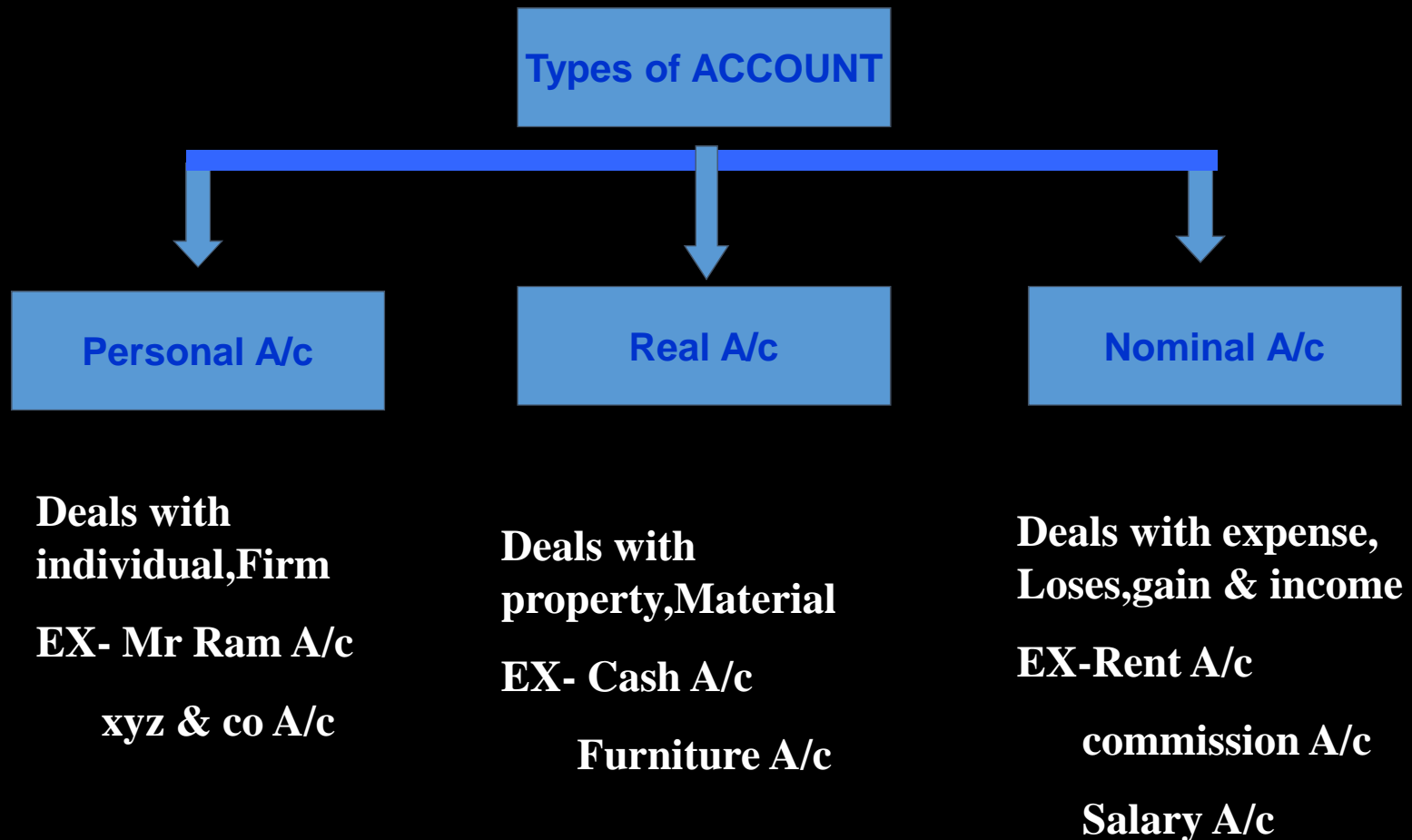


DOUBLE ENTRY SYSTEM

Debit - Dr

Credit - Cr

DOUBLE ENTRY SYSTEM



Type	Represent	Examples
Real	Physically tangible things in the real world and certain intangible things not having any physical existence	Tangibles - Plant and Machinery, Furniture and Fixtures, Computers and Information Processing Equipment etc. Intangibles - Goodwill, Patents and Copyrights
Personal	Business and Legal Entities	Individuals, Partnership Firms, Corporate entities, Non-Profit Organizations, any local or statutory bodies including governments at country, state or local levels
Nominal	Temporary Income and Expenditure Accounts for recognition of the implications of the financial transactions during each fiscal year till finalization of accounts at the end	Sales, Purchases, Electricity Charges

DOUBLE ENTRY SYSTEM



BOOKS OF ACCOUNTS

- **Journal** - a record that keeps accounting transactions in chronological order, i.e. as they occur. Wherein there is a debit side & credit side , A journal entry is called "balanced" when the sum of debit side amounts equals to the sum of credit side amounts.
- **Ledger** - Main accounting record of a business
- **Trial Balance** - It is mainly prepared to check the accuracy of accounting
- **Trading Account** -it is the gross profit or gross loss, it takes all info about incomes, expenses, profits& gain which are directly related to business
- **Profit & loss Account** - it is net profit or net loss , any item of income or expense apart from business is recorded in P& L ac
- **Balance Sheet** - shows the financial position of a company at a particular time.

Cash Book

- This book contains a record of all the vouchers and entries representing the transactions of each day in cash. Theoretically, the particulars of every item in the cash book should be entered in detail.

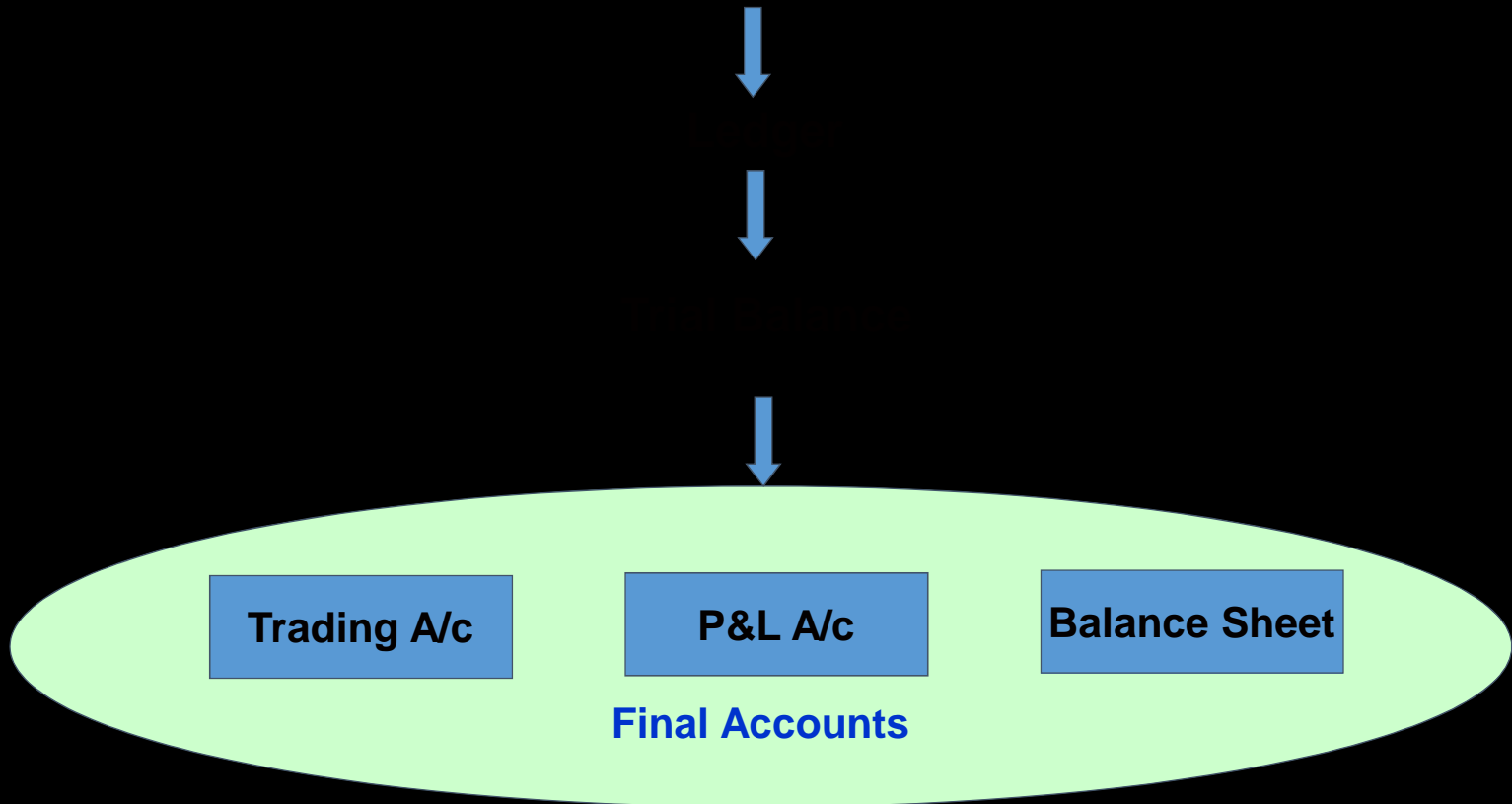
General Ledger

- The general ledger is the main accounting record, it is a record of a business which uses double-entry bookkeeping.
- It will usually include accounts for such items as current assets, fixed assets, liabilities, revenue and expense items, gains and losses.
- Each General Ledger is divided in three sections (Debit, Credit and the balance columns), apart from date and particulars.

Subsidiary Books

- In banks where it is found necessary to split up the deposit ledger into two or more divisions, a special "supplementary" is devoted to each division including the savings bank/current account ledger. It is not necessary to open up an account in the general ledger for each division of the deposit ledgers.
- Owing to the wide extension of banking facilities and the constantly increasing volume of checks and other entries, it has been found necessary to use supplementary books for recording particulars of any class of items whose volume is sufficient to warrant a separate book - only the day's totals are carried into the general cash book.
- The majority of entries, especially in a large office, are therefore in the form of totals, and very few detailed entries have to be made; but all entries, when made, should be definite as to source and sufficiently self-explanatory to be understood by any one at any time - ten years after, if necessary.

TRANSACTION FLOW – BOOKS OF ACCOUNTS



LEDGER


Summarized transactions of Particular A/c

Particular	Rs	Date	Particular	Rs	
To Capital A/c	1000	01-Jul	By Expense A/c	2250	
To Revenue A/c	1500	19-Nov	By Rent a/c	750	
To Accounts Receivable A/c	2000	31-Mar	By Balance c/d	1500	
	4500			4500	
To Balance b/d	1500				

TRIAL BALANCE

Summarize of all A/c' Balances

Cr and Dr Wise



To check the
Arithmetic
Accuracy of A/c
Balances

Account Title	Debits	Credits
Cash A/c	3000	
Machinery A/c	10000	
Accounts Receivable A/c	3500	
Accounts Payable A/c		2500
Capital A/c		12000
Revenue A/c		2000
Total	16500	16500

FINAL ACCOUNTS

Final Accounts

Trading A/c

P&L A/c

Balance Sheet

**Gross Profit
of the
Company
For a
particular
period**

**Net Profit
of the
Company
For a
particular
period**

**Financial Position
of the
Company
As on
that date**

Financial Statements

- Balance Sheet
- Profit & Loss Account

Balance Sheet

- Financial position of the business *as on a date*
- Statement of assets and liabilities
- Liabilities
 - Owed by the business
- Assets
 - Owned by the business

Balance Sheet

Liabilities

Assets

How the
business
gets
money?

Net worth

**Long Term
Borrowings**

**Current
Liabilities:**
Creditors

**Fixed
Assets**

Investments

**Current
Assets:**
*Cash, Bank
Inventory,
Debtors*

How the
business
uses
money?

Different ways of presentation....

- Horizontal presentation
- Vertical presentation

ABC Company Limited

Balance Sheet

As at 31/12/200X

HKD

HKD

HKD

HKD

Fixed Assets

Land and Buildings
Plant and Machinery
Motor Vehicles

75,000
49,000
21,500
145,500

Current Assets

Stock 145,700
Trade Debtors 143,700
Investments 2,600
Cash in hand 100

Total Assets

292,100
437,600

Capital

Share Capital 79,000
Profit and Loss 100,000
179,000

Non-current Liabilities

Loan payable 50,000

Current Liabilities

Trade Creditors 170,000
Accrued Expenses 1,900
Bank Overdraft 36,700

208,600
437,600

Profit & Loss Account

- Statement of revenue and expenses
- For a period of time
- Profit/(Loss) for the period is the net difference between revenue and expenses
- Expenses must match the revenues earned (Matching concept)