



FAKULTI PENGURUSAN DAN INDUSTRI HALAL

PROGRAM	Diploma in Accountancy
COURSE NAME	Financial Accounting 1
COURSE CODE	FAR 110
CREDIT HOUR	3
SYNOPSIS	This course introduces the student to financial accounting and assumes that the student has no prior knowledge of the subject. It deals with the recording of accounting transactions and events using the double entry system and the preparation of financial statements of a sole trader for merchandising and service enterprise. The course will expose the students to the fundamental accounting principles, accounting techniques and the underlying records used in recording and preparing the financial statements. This course aims to provide students with the basic accounting knowledge and skills in the recording process and the preparation of financial statements
COURSE STRUCTURE	
CHAPTER	TOPICS
1	Introduction to Accounting 1.1 Definition of accounting 1.2 Three basic activities 1.3 Objective of financial reporting 1.4 Users and uses of accounting information 1.5 Qualitative characteristic of accounting information 1.6 The building blocks of accounting 1.7 Business Entity
2	Accounting Cycle and Accounting Equation 2.1 Accounting cycle 2.2 Accounting equation
3	Double Entry System 3.1 Double entry principle 3.2 The relationship between accounting equation and double entry rule
4	Journal, Ledger and Trial Balance 4.1 Journal 4.2 Ledger 4.3 Trial Balance



5	Accounting for Inventory 5.1 Malaysian Financial Reporting Standard 102 5.2 Inventory system 5.3 Accounting issues for inventory 5.4 Closing inventory 5.5 Periodic versus perpetual inventory system
6	Accounting Errors 6.1 Error versus fraud 6.2 Types of accounting errors 6.3 Correction of errors 6.4 Methods to correct errors
7	Accounting Adjustments: Accruals and Prepayments 7.1 Cash basis versus accrual basis accounting 7.2 Accruals and prepayments 7.3 Accounting implications for accruals and prepayments 7.4 The recording of accruals 7.5 The recording of prepayments 7.6 Reporting of revenues and expenses
8	Accounting Adjustments: Depreciation 8.1 Causes of depreciation 8.2 The concept of depreciation 8.3 Recording and reporting of depreciation expense and non-current assets
9	Completing the Accounting Cycle and Financial Statements 9.1 Preparing the adjusted trial balance 9.2 Format of the financial statements 9.3 Tips for preparing financial statements 9.4 Closing entries and post-closing trial balance
10	Incomplete Records 10.1 Single entry and double entry system 10.2 Disadvantages of a single entry system 10.3 Comparison and analysis methods 10.4 Preparation of the statement of profit or loss and statement of financial position
11	Bank Reconciliation 11.1 Cash and bank transactions 11.2 Bank statement 11.3 Bank reconciliation and its purpose 11.4 Transactions recorded by the business but not by the bank



	11.5 Transactions recorded by the bank but not by the business 11.6 Errors 11.7 The bank reconciliation techniques
12	Accounting Ratio 12.1 Purpose of accounting ratio 12.2 Types of ratios 12.3 Usefulness of accounting ratios 12.4 Limitations of accounting ratios
References:	Siti Noor Hayati Mohamad Zawawi; Abu,A; Mohamad, R; Haron,R, <i>Fundamental Accounting: Concept and Practical Approach</i> , 2nd Edition, McGraw-Hill, 2021, ISBN: 9789670761473