

Financial and Managerial Accounting

Course code: ACC-2401

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Course outline (Mid Term):

☐ Chapter 1 : Introduction to Accounting

☐ Chapter 2 : Introduction to Financial statements
Accounting equation & transaction Analysis.

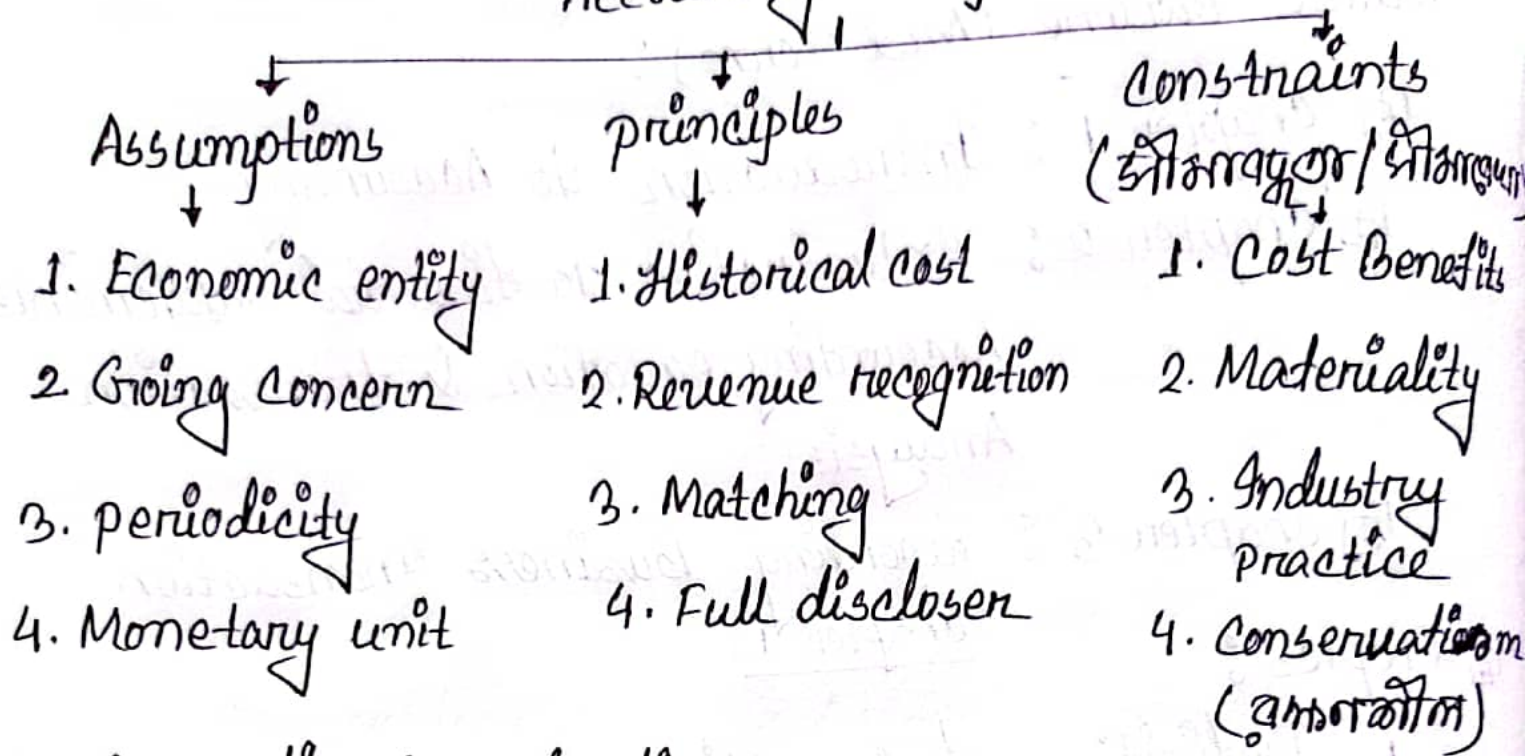
☐ Chapter 3 : Recording Business Transaction.
(Chapter 1)

☐ Topics :

1. Definition of Accounting
2. History and Development of Accounting
3. Users of Accounting information.
4. Branches of Accounting
5. Accounting concepts of principles.
6. Accounting organizations.
7. Types of Business organizations.

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Accounting concepts & principles



Accounting Organizations:

1. American Institute of Certified Public Accountants (AICPA)
2. Financial Accounting Standard Board (FASB)
3. Securities and Exchange Commission (SEC)
4. Institute of Chartered Accountants Bangladesh (ICAB)
5. Institute of Cost and Management Accounting Bangladesh (ICMAB)
6. Bangladesh (ICMAB)

Types of Business Organization

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1. **Proprietorship**: A proprietorship is a separate organization with a single owner. Most often the owner is also the Manager. From an accounting view point, each proprietorship firm is an individual entity that is separate and distinct from the proprietor.
2. **Partnership (व्यवसाय)**: A partnership is a special form of organization that joins two or more individual together as co-owners. From an accounting view point, each partnership firm is an individual entity that is separate from the personal activities of each partner.
3. **Corporations**: Corporations are organizations created by individual state laws. The owners are identified as stockholders. Individuals form a corporation by applying to the state for approval of company's articles of incorporation. When approved, the corporation becomes a legal entity, an artificial person that conducts its business completely apart from its owners.

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Accounting Equation:

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$$

Assets: Assets are the economic resources of a business that are expected to be of benefit in the future.

⊕ Cash

⊕ Land

⊕ Building

⊕ Equipment

⊕ Machine

⊕ Furniture

⊕ Office Supplies

⊕ Accounts Receivable

⊕ Notes Receivable

⊕ Prepaid Expense

Liabilities: Liabilities are 'outsider claims', which are economic obligations - debts - payable to outsiders.

These outside parties are called creditors.

⊕ Accounts Payable

⊕ Notes payable.

Owner's Equity: Owner's equity or capital is 'insider claims' held by owners of the business. Owner's equity is measured by subtracting liabilities from assets.

☐ Capital

☐ Revenue

☐ Expenses

☐ Withdraw

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* Increase in owner's equity \rightarrow by owner's investments and Revenue.

* Decrease in owner's equity \rightarrow by owner's withdrawals and expenses.