# AF2031- Accounting and Finance

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| **Form number** | **COURSEWARE OUTLINE** | | | | | | | | | |
| ***QEC-ISOB-D1-CW 0.1*** |
| **COURSE INSTRUCTOR INFORMATION** | **Name** | | **Muhammad Nasif** | | | | | | | |
| **Email ID** | | [**m.nasif@nu.edu.pk**](mailto:m.nasif@nu.edu.pk) | | | | | | | |
| **Contact info.** | |  | | | | | **041-111-128-128 Ext:261** | | |
| **DEGREE INFORMATION** | | **Program** | | **Batch** | **Section(s)** | | | | **Semester** | Fall |
| BCS, BSE | | Fall-2021 | 3A | 3B |  | | **Year** | 2022 |

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| **COURSE INFORMATION** | **Course Category**  **C-** Core/ **E-**Elective | | **Code** | | | **Title** | | | **Credit hours** |
| Core | | AF 2031 | | | Accounting and Finance | | | 3 |
| **Prerequisite(s)** | | N/A | | | N/A | | |  |
| **TA Required** (Yes/ No) | **No. Of TA(s)** | **Brief Justification** | | | | | | |
| No |  |  | | | | | | |
| **Students Consultation hours** | **Day** | **Time Slot** | | | | | **Special Instructions** | |
| **From** | | **To** | | |
| Monday |  | **AM** |  | | **AM** | **All communication should be made through email or in person during the office hours after making an appointment** | |
| **PM** | **PM** |
| Tuesday | **01:45** | **AM** | **03:10** | | **AM** |  | |
| **PM** | **PM** |
| Wednesday |  | **AM** |  | | **AM** |  | |
| **AM** | **PM** |
| Thursday | **03:15** | **AM** | **04:40** | | **PM** |  | |
| **PM** | **PM** |
| Friday |  | **AM** |  | | **AM** |  | |
| **PM** | **PM** |
| Saturday |  | **AM** |  | | **AM** |  | |
| **PM** | **PM** |

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| **TEXT BOOK(s) INFORMATION** | | **Title of Book** | | | Financial and Managerial Accounting (International Edition) | **Edition** |
| Latest |
| **Author(s)** | | | Jan R. Williams, Susan F. Haka and Mark S. Bettner | |
| **Publisher** | | | Mc-Graw Hill Companies Incorporation. | |
| **Reference book (s)** | | 1 | Title of Book | | Fundamentals of Financial Management | |
| Imprint details | | James C Ven Horne by Pearson Education. | |
| 2. | Title of Book | | Accounting and Finance for Non-Specialists | |
| Imprint details | | Peter Atrill and Eddie McLaney by FT Prentice Hall | |
| 3. | Title of Book | | Fundamentals of Corporate Finance | |
| Imprint details | | Ross et al by Mc-Graw Hill Companies Incorporation. | |
| **Support Material(s)** | a. |  | | | |
| b. |  | | | |
| c. |  | | | |
| **Brief Description of Course:** *(not more than 250 words)* | This course basically deals with the fundamental concepts of accounting and financial terms. The students are expected to learn and develop an understanding of accounting concepts, principles, procedures and systems for preparation of financial statements; knowledge of computer-based accounting applications, accounting treatment of current assets, liabilities, tangible and intangible assets and owner’s equity, along with financial environment and investment appraisals. The aim is to develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and financial management and technical proficiency in the use of double entry accounting techniques including the preparation of basic financial statements. Students should become adept at classifying problems, situations and applying the required accounting principles | | | | | |

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| **Course Objectives: *(Brief & unambiguous) …***   1. *Tend to describe specific, discrete units of knowledge and skill* 2. *Can be accomplished within a short time frame - still may be relevant for a class period* 3. *Tend to be* ***statements of intent****; do not necessarily suggest that the behaviour has been demonstrate* | |
| 1. | The context and purpose of fundamentals of accounting |
| 2. | The qualitative characteristics of financial information and fundamental bases of accounting |
| 3. | The use of double entry accounting information system |
| 4. | Recording transactions and events |
| 5. | Preparing basic financial statements |
| 6. | Accounting system and the impact of information technology on financial accounting |
| 7. | Basic business accounting rules that is business transactions and their entries in daily books of accounting |
| 8. | Financial Management (time value of money and investment appraisals) |

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| **Learning Outcome: *(Brief & unambiguous-with reference to course objectives i.e.***   1. *describe broad aspects of behaviour which incorporate a wide range of knowledge and skill* 2. *accomplished over time in several learning experiences* 3. *refer to* ***demonstrations of performance*** | |
| a. | Apprehend and explain the fundamental accounting principles and concepts |
| b. | Record transactions in general journal, prepare ledger accounts, trial balance |
| c. | Make year-end adjustments, prepare adjusted trial balance |
| d. | Prepare profit and loss account and balance sheets from worksheet & after closing trial balance |
| e. | Prepare bank and cash accounts, bank reconciliation statements and petty cash statements |
| f. | Calculate depreciation by using different methods |
| g. | Prepare bad debts accounts and provision for doubtful debts |
| h. | Compute time value of money and identify a feasible investment option after appraisal methods |

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| **Courseware Structure: (Mark X where applies)** |
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| **COURSE CONTENTS:** | | | |
| **Weeks** | **Contents/Topics** | **\*\*Courseware Events** (MM/ IT Lab/Case Study/ Assignment/ Presentation etc.) | **Comments (if any)** |
| ***Week-01 and 02*** | **Accounting information for Decision making**  Introduction to Course, philosophy and expected level of skill, teaching methodology, learning materials and elementary discussion of course out line  Brief discussion on Information for decision Making, US GAAP, Basic Objectives, Basic Concepts, Assumption, Principles, Constraint; IAS, IFRS, history and implementation. Accounting system, Financial accounting information, Management accounting information.  Concept of Flow of information in an accounting system, General Journal, General Ledgers, Trial Balance, Adjusted Trial Balance, Balance Sheet, Profit and Loss Statements. Purpose of financial statements and need. | Lec/Exer/MM | Chapter 1 by Williams et al |
| ***Week-03*** | **Basic Financial Statements**  Basic Financial Statements, purpose, Accounting Equation, types of ownerships, journal entries for different types of ownerships, Importance of Financial Statements to company and its investors and creditors and other stakeholders, Steps in accounting cycle, Double entry accounting system, relationship of Journal and Ledger  Subsidiary Ledgers, Sales Ledger, Purchase Ledger, Cash book, Realization and matching principles in recording revenue and expenses | Lec/Exer/MM | Chapter 2 by Williams et al |
| ***Week-04*** | **Capturing Economic Events**  Prepare a trial balance and explain its uses and limitations, accounting cycle procedures and knowledge of accounting, concepts of dr. and cr., Journal entries, Rules of dr. and cr. | Lec/Exer/MM | Chapter 3 by Williams et al |
| ***Week-05*** | **Excel Templates for Wk 2 & 3. Assignment. Discussion Questions and General Revision** | Lec/Exer/MM/Assign |  |
| ***Week-06*** | **Mid Term-01** |  |  |
| ***Week-07*** | **Accruals and Deferrals Along (IAS-18)**  Accrual & Deferrals, purpose, conversion from assets to expenses, accrue unearned revenue, relation with matching and realization, concept of materiality, reaching to adjusted trial balance, adjusting entries and accounting principles, Accruing income tax expenses.  (Balance Sheet), linkage of Income Statement with Retained Earnings and Balance sheet. | Lec/Exer/MM | Chapter 4 by Williams et al |
| ***Week-08*** | **Reporting Financial Results Along (along with IAS-1)**  Adequate disclosures, purpose of closing entries, Closing entries, after closing trial balance, evaluating profitability and liquidity, Interim Financial Statements, accounting worksheet, its preparation, usage and benefits  Preparing Statement of Comprehensive Income (Income Statement) and Statement of Financial Position (Balance Sheet), linkage of Income Statement with Retained Earnings and Balance sheet. | Lec/Exer/MM | Chapter 5 by Williams et al |
| ***Week-9*** | **Introduction to Financial Management**  The role of financial management. The Financial Manager. Financial Management Decisions. Forms of Business Organisations. The Goal of Financial Management. Financial Markets and the Corporations. | Lec/MM/Exer | Chapter 1 by James C Ven Horne |
| ***Week-10-11*** | **Introduction to Valuation: Time Value of Money**  Future Value and Compounding for single period and more than one period. Present Value and Discounting for single period case and multiples. More on Present and Future Values: PV vs FV, and discount rate. | Lec/MM/Exer | Chapter 3 by James C Ven Horne |
| ***Week-12*** | **Mid Term-02** |  |  |
| ***Week-13*** | **The Valuation of Long-Term Securities**  Objectives, Distinctions Among Valuation Concepts, Bond Valuation, Preferred Stock Valuation, Common Stock Valuation, Rates of Return (or Yields), Exercise Problems | Lec/MM/Exer | Chapter 4 by James C Ven Horne |
| ***Week-14*** | **Net Present Value and Other Investment Criteria**  Net Present Value, The Payback Rule, Discounted Payback, The Average Accounting Return, The Internal Rate of Returns, The Profitability Index and The Practice of Capital Budgeting. | Lec/MM/Exer | Chapter 13 by James C Ven Horne |
| ***Week-15*** | **The Cost of Capital**  Basic concept cost of capital, Cost of Long-term Debt, Cost of Proffered Stock, Cost of Common stock, Cost of Retained Earning, WACC, Practice Problems. | Lec/MM/Exer | Chapter 09 by Lawrence J. Gitman |
| ***Week -16*** | **Excel Templates for WK 12 to 15. Assignment. Discussion Questions and General Revision** | Lec/Exer/MM/Assign |  |

**\*\* Courseware Events** *column is subject to variations / appropriations*

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| **Recommended Web links:** |
| [www.iasplus.com](http://www.iasplus.com) |
| <http://www.ifrs.org> |
| [www.pwc.com](http://www.pwc.com) |
| www.ey.com |
| <http://www.accountancy.com.pk> |

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| **Grading Criteria** | | | |
|  | **ABSOLUTE Grading** | **X** | **RELATIVE Grading** |

**Marks Distribution: Planned Courseware Events:**

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| **Particulars** | **% Marks** | **\***[**Weight**](javascript:WebForm_DoPostBackWithOptions(new%20WebForm_PostBackOptions(%22ctl00$CPHRadix2010$btnWeightage%22,%20%22%22,%20true,%20%22%22,%20%22%22,%20false,%20true))) **Ranges** |
| 1. Quizzes / | 10 | 10 |
| 2. Assignments | 10 | 10 |
| 3. Mid Term 1 Exam | 15 | 15 |
| 4. Mid Term 2 Exam | 15 | 15 |
| 5. Class Participation | 5 | 5 |
| 6. Final Exam | 45 | 45 |
| **Total:-** | **100** | **100** |

**Less than 4: < 4**

**More than 2 and less than 5: > 2 &< 5**

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| **Particulars** | **Planned (Qz/As/Labs)** | **Remarks** |
| 1. Quizzes and Assignments | >4 & <6 |  |
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**\***[*Weight*](javascript:WebForm_DoPostBackWithOptions(new%20WebForm_PostBackOptions(%22ctl00$CPHRadix2010$btnWeightage%22,%20%22%22,%20true,%20%22%22,%20%22%22,%20false,%20true))) *Ranges as defined in FLEX*

*\*\* Quizzes will be surprise and unannounced. So, you must be prepared for quiz during any class.*

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| **Q U A L I F Y I N G  A T T E N D A N C E** | **You must attend every class for your own personal benefit. Please refer to university policy of minimum attendance requirement**  **Failing to conform qualifying attendance threshold, the student will stand debarred from sitting in the examination and assigned with “F” Grade.** |
| **Academic and Moral Integrity:** | **All assignments should be your own work (or your group’s when approved). PLAGIARISM will be awarded with “F” grade and/or reported to the University for academic and moral misconduct. To protect yourself, ALWAYS PROVIDE REFERENCES!** |

**Instructions / Suggestions for STUDENTS for satisfactory progress in this course:**

* On average, most students find at least three hours outside of class for each class hour necessary for satisfactory learning.
* Chapters should be read and homework should be attempted before class.
* You may contact me through email on email-id: to you within 24 hours.
* The homework assigned is a minimum. You should always work extra hours on your own.
* Use the few minutes you usually have before the start of each class to review the prior meetings’ notes and homework. This will save us valuable in-class time to work on new material.
* Develop a learning habit rather than memorizing; work in groups, whenever appropriate.
* Apply the learned principles and gained knowledge; be creative in thinking.
* Always bring a calculator as well as your text Books with you in the class.
* **Assignments/ Activities:** They are not meant simply for grades, but to reinforce your learning. Assignments are due on time. Each day late will lower your assignment grade by 10%. Apart from value of content, spelling, grammar, punctuation, and good presentation (printing and paper quality) will figure into your assignment grade. To guard against errors, please keep copies of the papers you turn in and retain all graded assignments for your reference.   
  Your Assignments must include all the References. For this course you are highly encouraged to follow the Harvard style of referencing

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| **Signatories** | | **Name** | | | **Signature** | **Date** | | | | | | | | | | |
| **Teaching Faculty** | | Muhammad Nasif | | |  | 2 | | 2 | - | 0 | 8 | - | 2 | 0 | 2 | 2 |
| **Cluster Head** | |  | | |  |  | |  |  |  |  |  |  |  |  |  |
| **HOD School of Business** | | Dr. Saif Maqbool | | |  | 2 | | 2 | - | 0 | 8 | - | 2 | 0 | 2 | 2 |
|  | **Approved** |  | **Not Approved** | | |