

# COUNCIL OF COMMUNITY COLLEGES OF JAMAICA

**Course:** Fundamentals of Accounting  
**Credit** 3  
**Course Code** ACCT1101  
**Contact Hours:** 45 Hours

## **COURSE DESCRIPTION**

This course is designed to help students to appreciate the importance of financial accounting in the workplace. The course involves the posting of transactions to the ledger and the preparation of final accounts with adjustments for accruals, prepayment, depreciation and provision for bad debts.

## **GENERAL OBJECTIVES**

At the end of this course students will develop an understanding of fundamental accounting principles and their application in the business world.

## **COURSE CONTENT**

### **Unit 1 - Accounting framework**

**Unit Objectives: At the end of this unit, students will be able to:**

1. state the purpose of accounting to individuals and organizations
2. demonstrate the accounting cycle using a flow chart
3. explain the balance sheet equation
4. distinguish between assets, liabilities and capital
5. distinguish between revenue and expenditure

### **Content**

- The importance of financial accounting to the various individuals, accounting professionals and organization.
- Characteristics of accounting information
- The accounting cycle
- the accounting equation
- distinction between assets, Liabilities and Capital
- an introduction to the balance sheet

### **Unit 2 - The Ledger**

**Unit Objectives: At the end of this unit, students will be able to:**

1. distinguish between the type of ledgers
2. record accounting entries in the appropriate ledgers
3. balance ledger accounts
4. extract a trial balance from ledger balances
5. state the purpose of a cash book
6. prepare a three column cash book
7. prepare a simple Income Statement and Balance Sheet

### **Content**

- description of the ledger
- double entry recording for: assets, liabilities, capital, revenues and expenses
- balancing of ledger accounts
- preparation of a trial balance
- the three column cash book
- prepare simple trading, profit and loss accounts

### **Unit 3 - Accounting Concepts and Conventions [IAS]**

#### **Unit Objectives: At the end of this unit, students will be able to:**

1. list the fundamental accounting concepts governing the recording of accounting entries
2. apply accounting concepts and conventions according to IAS to accounting problems

### **Content**

- going concern
- accruals
- prudence
- consistency
- historic costs
- money measurements
- materiality
- realization
- objectivity
- business entity
- duality

### **Unit 4 - The General Journal and Subsidiary Books**

#### **Unit Objectives: At the end of this unit, students will be able to:**

1. state the use of the general journal and subsidiary journals
2. prepare journals from source documents
3. post transactions from the journals to the appropriate ledgers

### **Content**

- The General Journal
- The Purchases Journal
- The Sales Journal
- The Returns Journal

## **Unit 5 - Errors and corrections**

**Unit Objectives: At the end of this unit, students will be able to:**

1. explain errors not affecting a trial balance
2. explain errors that will affect a trial balance
3. use suspense accounts and the journal to correct errors in the trial balance

### **Content**

- errors not affecting the trial balance
  - errors of omission, errors of commission, errors of principle
  - errors of original entries, compensating errors and complete reversal of entries;
- correction of errors not affecting the trial balance
- the use of suspense account to correct errors affecting the trial balance

## **Unit 6 - Post closure adjustments**

**Unit Objectives: At the end of this unit, students will be able to:**

1. define depreciation
2. discuss possible causes of depreciation
3. calculate depreciation charges, using the straight line and reducing balance methods
4. record depreciation charges on the books, using the double entry system
5. record entries for disposal of non-current assets
6. define bad debts and provision for bad debts
7. record entries for bad debts and provision for bad debts using the double entry system
8. distinguish between accruals and prepayments
9. record adjustments relating to accruals and prepayments in the ledger
10. prepare a set of final accounts for a sole trader from a trial balance after period end adjustments

### **Content**

- Depreciation and Provision for depreciation
- Double entry for Disposal of Non-current assets.
- Bad debts and Provision for doubtful debts
- accruals and prepayment for revenue and expenses
- application of adjustments to final accounts

## **Unit 7 - Cash books and Bank Reconciliation Statement**

**Unit Objectives: At the end of this unit, students will be able to:**

1. identify factors that account for differences in the balance in the Cash Book and the bank statement
2. prepare an updated cash book
3. prepare bank reconciliation statements

## **Content**

- the banking system
- deposits and withdrawal slips
- preparing cheque
- interpretation of bank statements
- updated cash book
- bank reconciliation statement

## **Method of Delivery**

- Lecturers
- Demonstrations

## **METHODS OF EVALUATION**

students must be evaluated by the use of:

- projects
- tests
- simulations
- examinations

Course work	40%
Examination	60%

## **TEXT**

Sangster, A. & Wood, F. [2005]. Business Accounting 1, 9<sup>th</sup> Ed. DP Pub. London