

FOUNDATION LEVEL (FL)

Course Title

Fundamentals of Financial Accounting (FFA)

Knowledge Pillar	Level	Course Title	Course Code	Total Marks
Financial Accounting & Corporate Reporting [FACR]	Foundation level	Fundamentals of Financial Accounting (FFA)	FR111	100

Syllabus Structure

The syllabus comprises the following main topics with the relative study weightings:

Segment	Segment Title	Weight
A	Accounting framework	10%
B	Accounting as an information system	30%
C	Accounting for assets	20%
D	Accounting for single entities	40%

Course Description

This course is designed to cater to the needs of a learner with little or no prior accounting knowledge. As such, the course starts with explaining the accounting framework, shading light on the relevant conceptual and regulatory requirements. Focus is then given to elucidate how accounting works as an information system. In explaining the system, the IPO model is used for the logical sequencing of different stages in the accounting cycle. Eventually, the learners of the course will understand the process and concerns in preparing financial statements for single entity considering the nature of the entity's operation. This course also introduces the concept of ethics and different measures used in controlling the accounting systems. Learners of this course will be exposed to various practical exercises for mastery of the basic accounting knowledge & skills and thus, little emphasis is given on the applications of accounting standards unless specifically mentioned.

Course Objectives

The main objective of this course is to enable learners to complete the accounting cycle at a low level of ambiguity, complexity and uncertainty. This course ensures the conceptual foundation of financial accounting for a learner from a non-accounting background in completing tasks of the input, processing and output stages of the accounting information systems. The course aims to provide the basic accounting concepts and principles that one can apply in preparing financial and related information for a single entity scenario to meet internal needs and external obligations. Successful completion of this course will provide learners confidence, foundation and technical proficiency to clutch knowledge of the Intermediate Financial Accounting module of the FACR pillar.

Course Learning Outcomes

On successful completion of this course, the aspiring professional accountants shall be able to:

1. understand the conceptual and regulatory framework of financial accounting;

2. apply the double-entry system in recording transaction data to produce accounting information;
3. illustrate different steps in the accounting cycle;
4. rectify accounting records, whenever necessary;
5. prepare financial statements for single entity in a non-complex scenario considering the nature of the business operation;
6. understand accounting treatment for inventories, receivables, fixed and current assets, natural resources and intangible assets; and
7. understand the ethical considerations in accounting, performance evaluation and harmonizing accounting practices.

DETAILED CONTENTS

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
A. Accounting framework (10 Marks)	A1. Accounting and its environment	R, U	<ul style="list-style-type: none"> • Define accounting; • State the environment an accountant works; • Agents in the accounting environment; • Accounting environment in Bangladesh; • Branches of accounting. 	Upon successful completion, students shall be able to: <ol style="list-style-type: none"> 1. discuss how different agents shape accounting; 2. explain the contextual needs of accounting standards. 	25%
	A2. Conceptual framework of financial accounting	R, U	<ul style="list-style-type: none"> • Explain the need for financial records; • Users of accounting information; • Qualitative characteristics of accounting information; • Underlying assumptions, convention, policies and changes in accounting estimates; • Key elements of financial statement; • Ethical issues in financial accounting; • Stages of the accounting cycle; • Concept of an integrated report. 	<ol style="list-style-type: none"> 3. recognize the importance of book-keeping for different users; 4. explain different segments of the conceptual framework; 5. discuss the significance of ethics on accounting; 6. explain various stages of an accounting cycle. 	50%
	A3. Regulatory framework for financial accounting	R, U, C	<ul style="list-style-type: none"> • Role of legislation on published accounting information; • Bangladesh accounting standards; • Role of accounting standards in preparing financial statements; 	<ol style="list-style-type: none"> 7. outline the relevant regulatory requirements; 8. list different accounting standards; 9. describe how standards are formulated; 	25%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
B. Accounting as an information system (30 Marks)			<ul style="list-style-type: none"> Approaches in developing accounting standards; Harmonization of accounting standards. 	10. build arguments on the harmonization of accounting standards.	
	B1. Input stage of accounting information systems (AIS)	R, AP, AN	<ul style="list-style-type: none"> Source documents; Double-entry system; Accounting equation; The golden rule of debit and credit; Journal entries; Special journals; Petty cash statement. 	11. analyze the impact of transactions on the financial status of the business; 12. illustrate double entry systems in recording transaction; 13. demonstrate recording of frequent transactions.	25%
	B2. Processing stage of an AIS	U, AP, E, C	<ul style="list-style-type: none"> Chart of accounts and coding system in accounting; Types of accounts including suspense account; Ledger accounts; Personal and control accounts; Trial balance. 	14. perform posting of the initial records to the ledger accounts; 15. generate a trial balance to prove the accuracy of ledger posting; 16. evaluate accounts through general and subsidiary ledgers.	20%
	B3. Adjusting accounting records	R, AP, C	<ul style="list-style-type: none"> Omissions, errors and periodic adjustments ; Accruals and prepayments; Types of adjusting entries; Adjusted trial balance. 	17. perform necessary adjustments whenever needed; 18. compose an adjusted trial balance.	40%
	B4. Output and accounts closing stage of an AIS	U, AP, C	<ul style="list-style-type: none"> Worksheet; Components of a set of financial statements; Closing entries; Post-closing trial balance. 	19. formulate a working paper before formal reports; 20. describe the components of a set of financial statements; 21. perform tasks of closing accounts.	15%
C. Accounting for assets (20 Marks)	C1. Accounting for current assets	AP, E, C	<ul style="list-style-type: none"> Methods of inventory valuation; Periodic and perpetual inventory systems; Implications of inventory valuation; Aging schedule; 	22. perform recording and valuation of inventory; 23. compose an aging schedule; 24. determine the value of receivables;	60%

Parts	Topics	Level of study required	Subtopics	Learning outcomes of topics	Probable weight
D. Accounting for single entities (40 Marks)			<ul style="list-style-type: none"> Accounting for bad debts; Bank reconciliation statement. 	25. evaluate cash book records with the bank statement.	
	C2. Accounting for non-current assets	R, U, AP	<ul style="list-style-type: none"> Tangible and intangible assets; Capital and revenue items; Non-current asset register; Depreciation and amortization. 	26. identify the nature of non-current assets; 27. contrast capital and revenue items; 28. compute depreciation under different methods.	40%
	D1. Accounting for different business types	R, AN, E, C	<ul style="list-style-type: none"> Types of business entities; Accounting for varying types of business entities; Single and multiple-step income statements; Manufacturing accounts; Shares and debentures; Accounts from incomplete records. 	29. identify the impacts of the types of business on accounting; 30. compose income statement of different formats; 31. analyze the links of different accounts.	40%
	D2. Preparation and interpretation of financial statements	AP, C	<ul style="list-style-type: none"> Statement of financial position; Income statement; Statement of changes in equity; Statement of cash flows; Basic financial ratios. 	32. compose a complete set of financial statements following IAS 1 in a non-complex scenario; 33. compute basic ratios to infer financial performance.	60%

Here, R = Remembering; U = Understanding; AP = Applying; AN = Analyzing; E = Evaluating; C = Creating; D = Decision making; are the seven levels of learning developed based on the Bloom's Taxonomy.

Recommended Books and Learning Materials

Primary Textbook

- ICMAB. (2021). ICMAB Learning Manual for Fundamentals of Financial Accounting.

Recommended Textbook (Latest Edition)

- Weygandt, J. J., Kimmel, P. D. & Keiso, D. E. (2020). *Accounting principles*. (14th ed.). Jhon Wiley & Sons, Inc.

Reference Books/Other Learning Materials (Latest Edition)

- Edwards, J. D., Hermanson, R. H., & Maher, M. W. (2011). *Accounting principles: A business perspective, financial accounting*. (1st global text ed.). Create Space Independent Publishing Platform.
- Skousen, K. F., Albrecht, W. S., Stice, J. D., & Stice, E. K. (2010). *Accounting concepts and applications*. (11th ed.). South-Western College Pub.

FFA Course Mapping

PrOs	POs	POs	CLOs	CLOs	TLOs
PrO1	5	PO1	1	CLO1	1, 2, 3, 4, 5, 7, 8, 9, 10, 27, 29, 31
PrO2	1, 4	PO2	7	CLO2	11, 12, 13, 14, 15, 16, 22, 23
PrO3	2	PO3	2, 3, 4, 6	CLO3	6, 12, 13, 14, 20, 21
PrO4	-	PO4	5	CLO4	17, 18, 25, 28, 31
PrO5	3, 5	PO5	5, 6	CLO5	19, 20, 21, 22, 26, 30, 31, 32, 33
PrO6	6	PO6	7	CLO6	22, 23, 24, 25, 26, 27, 28
PrO7	6, 7	PO7	7	CLO7	5, 10, 33

Here, PrOs = Program Objectives; POs = Pillar Objectives; CLOs = Course Learning Outcomes; TLOs = Topic Learning Outcomes

FFA Contents Mapping

