



College of Business and Economics
Department of Accounting and Finance

Course Number	AcFn 2081
Course Title	Financial Accounting I
Degree Program	BA Degree in Accounting and Finance
Module	Financial accounting and reporting
ETCTS Credits	6
Contact Hours (per week)	4
Course Objectives & Competences to be Acquired	<p>The course is designed to give students a thorough understanding of the framework, concepts and techniques of accounting that the students will need to proceed with upper level courses in financial accounting.</p> <p>Upon the successful completion of this course, the students will be expected to:</p> <ul style="list-style-type: none"> • have an understanding of financial accounting concepts and IFRS as they apply to the topics covered in this course; • Demonstrate an awareness of the substance of and the standard-setting process for international accounting standards; • Perform the accounting functions of analyzing, recording and reporting as accomplished by the accounting cycle and the preparation of the primary financial statements • Be able to explain and discuss the fundamentals of financial reporting • Understand the nature of financial statements and the inherent limitations in their preparation and use • Develop professional judgment in analyzing accounting issues and recommending accounting policies; • Develop skill in applying accounting standards to situations and problems; • Demonstrate the recognition, measurement, and reporting of cash, receivables, and inventories
Course Description	This course presupposes the students' equipped with knowledge for basic level of Accounting principles. In this course, emphasis is made on accounting theory of financial statements, recognition criteria, measurement, also reporting requirements of the elements of financial statements are covered. Treatment of income, expense and the current assets, with respect to the above, form the central objective of this course.
Course Contents	
1. Development of Accounting Principles and Professional Practice <ol style="list-style-type: none"> 1.1. The environment of Accounting 1.2. Conceptual framework (FASB Vs IFRS) 1.3. Objectives of financial reporting 1.4. Qualitative characteristics of accounting information 1.5. Elements of financial statements of business enterprise 1.6. Generally accepted accounting principles. 	

1.7. Cash flow and income measurement
2. Summary of the Accounting process 2.1. Identifying and journalizing transactions and other events 2.2. Posting transactions and other events 2.3. Trial Balance Preparation 2.4. Adjusting entries 2.5. Preparation of financial statements 2.6. Closing entries 2.7. Post-closing trial balance preparation 2.8. Reversing entries
3. Income Statement and Related Information 3.1. Usefulness and Limitation of the income statement 3.2. Elements and formats of the income statement 3.3. Retained earnings statement 3.4. Comprehensive income 3.5. Revenue recognition principle 3.6. Revenue recognition before and after delivery
4. Balance Sheet and Statement of Cash Flows 4.1. Usefulness and Limitation of Statement of Balance Sheet 4.2. Classification in the Statement of Balance Sheet 4.3. Formats of Statement of Balance Sheet 4.4. Purpose of statement of cash flows 4.5. Content and formats of statement of cash flows 4.6. Overview of the preparation of statement of cash flows 4.7. Usefulness of statement of cash flows 4.8. Financial Statements and Additional Information
5. Cash and receivables 5.1. Nature of cash and Cash control? 5.2. Reporting cash 5.3. Summary of cash-related items 5.4. Recognition and Valuation of accounts receivables 5.5. Recognition and Valuation of notes receivables 5.6. Special Issues Related to receivables
6. Inventories 6.1. Nature and classification of inventories 6.2. Physical goods and costs included in inventory 6.3. Cost flow assumptions 6.4. LIFO, LIFO reserve, LIFO liquidation and Birr-Value LIFO 6.5. Basis for selection of inventory methods 6.6. LCM and other special valuation methods 6.7. Inventory estimation methods
<u>Text Book and Reference Books</u> <ul style="list-style-type: none"> • Smith and Skausen, intermediate accounting: Comprehensive volume 5th Ed.(south western pub. Co. 1984) • Ellia and Thacker, intermediate accounting,(McGraw-Hill 1982) • Meigs and others, intermediate accounting 4th Ed. • Simons, Arary, intermediate accounting (standard volume), 6th Ed. South Western Pub. Co. • FASB, objective's of financial reporting by business Enterprise: statement of financial accounting concepts No.1(Stamford Nov.1978.)

- FASB Element of financial statements, statement of financial accounting concepts No.6 Stanford Dec 1995.