

Paper 6: Basic Accounting (BA)

Full Marks: 100

Module A: Introduction

- Accounting, Functions of Accounting, Purpose of Accounting, Nature of Accounting, Uses and Users of Accounting, Accounting Principles, Basic Concepts of Accounting (Recording Stage), Accounting Standards and Regulations, Forms of Business Organizations and Accounting, Accounting Systems, Assets, Liabilities, and Owners' Equity, Accounting: An Integral Part of Business, Relationship of Accounting with Other Subjects, Difference Between Book-Keeping and Accounting, Methods of Accounting, Evolution of Accounting, Branches of Accounting, Challenges Faced by the Accounting Profession Today, Role of Ethics in Accounting, Synonyms for Accounting Terminologies, Limitations of Accounting, Concept Check Questions.

Module B: Processing and Recording of Accounting Information

- Introduction , Transaction, Difference between events and economic events/transactions in accounting, Systems of book-keeping, Purpose of Double Entry System of Book-keeping, Account, Classification of accounts in accounting, Golden Rules of Debit and Credit for different Types of Transactions, Steps in the Recording Process, Analysis of Transactions, Recording of Transaction, Journal, Types of Journal in Accounting, Forms of Journals, Transaction of different types and Journalising thereof, Ledger, Forms of Ledger Accounts, Importance of Ledger, Posting to the ledger, Trial Balance, Steps involved in preparing a Trial Balance, Advantages of Trial Balance, Limitations of a Trial Balance, Errors in accounting that can be detected in the trial balance, Practical Problems: Transaction Analysis, Journal, Ledger and Trial Balance, Accounting for Fixed Assets, Determining the cost of plant assets, Depreciation Methods for Plant Assets, Straight-Line Depreciation Method, Units-of-Activity Depreciation Method, Declining-Balance Depreciation Method, Choosing the Appropriate Depreciation Method, Practical Problems, Revising Periodic Depreciation for XYZ Ltd. Account for the Disposal of Plant Assets, Retirement of Plant Assets, Practical Problems: Accounting For Fixed Assets, Accrual versus Cash-Basis Accounting, Recognizing Revenues and Expenses, The Need for Adjusting Entries, Types of Adjusting Entries, Prepare Adjusting Entries for Deferrals, Prepare Adjusting Entries for Accruals, The Nature and Purpose of an Adjusted Trial Balance, Preparing the Adjusted Trial Balance, Short Questions.

Module C: Analysis of Financial Statements

- Financial Statement Analysis, Tools for Financial Statement Analysis, Classification of Ratios, Fundamental Ratios, Analysis of Different Ratios, Illustrations, Practical Problems, Short Questions

Module D: Financial Statements

- Financial Statements, Objectives of Financial Statements, Components of Financial Statements, Example Balance Sheet of a Trading Firm, Example Balance Sheet of a Manufacturing Firm, Income Statement (IS), Structure of income statement, Income Statement for a Trading Firm, Income Statement for a Manufacturing Firm, Income Statement for a Service-Rendering Firm, Statement of Cash Flows, The Purpose/ Objectives/ Importance of the Statement of Cash Flows, *Sections of Cash Flow Statement*, Sources of Data to prepare the Cash Flow Statement, Cash Flows Should Be Presented Gross, Not Net, Operating Activities- Direct or Indirect Method? Cash Flow from Operating Activities: Direct Method, Cash Flow from Operating Activities - Indirect Method, Direct Exchange Transactions, Format and Example of Cash Flow Statement, Interpretation of the Statement of Cash Flows, Real Financial Statements of Manufacturing Firms (Square Pharmaceuticals PLC), Real Financial Statements of Service Rendering Firms (Grameephone PLC), Practical Problems, Short Questions.

Module E: Financial Statements of Banks in Bangladesh

- Introduction, Types of Financial Statements for Banks, Key Components of Bank Financial Statements, Importance of Financial Statements, Regulatory Framework for Bank Financial Statements: Key Disclosures and Reporting Requirements, Structure, contents and Instructions for preparation of financial statements of Banks, Financial Statements of Shariah-based Banks in Bangladesh: Key Aspects, Regulations, and Comparisons, Regulatory Framework for Shariah-based Banks in Bangladesh, Financial Statements of Shariah-based Banks, Key Differences in Financial Statements, Key Differences between Shariah-based and Conventional Banking Products, Other Relevant Considerations for Shariah-based Banks, Actual Financial Statements of Conventional Banks (Eastern Bank PLC), Actual Financial Statements of Shariah-based Banks (Islami Bank Bangladesh PLC), Short Questions.

Module F: Other Forms of Business Organizations

- Introduction, Sole Proprietorship Businesses, Characteristics of Sole Proprietorship Businesses, Tax Implications of Sole Proprietorship Businesses, Financial Reporting of Sole Proprietorship Businesses, Financial Transparency and Lender Considerations for Sole Proprietorship Businesses, Compliance and Other Relevant Issues for Sole Proprietorship Businesses, Partnership Firms in Bangladesh, Characteristics of a Partnership Firm, Accounting Concepts in a Partnership Firm, Financial Reporting of a Partnership Firm, Advantages of a Partnership Firm, Disadvantages of a Partnership Firm, Taxation of a Partnership Firm in Bangladesh, Compliance and Regulatory Issues, Lenders' Perspective on Lending to a Partnership Firm, Differences between Single Owner Business and Partnership Firms (With Focus on Accounting and Lenders' Perspectives), Corporations in Bangladesh -Private Limited Corporations and Public Limited Corporations, Characteristics of Private Limited and Public Limited Corporations, Key Accounting Concepts and Financial Reporting, Advantages and Disadvantages of Private and Public Limited Corporations, Compliance Requirements, Differences between Private Limited Corporations and Public Limited Corporations, Lenders' Perspectives on Lending to Private and Public Limited Corporations, Joint Venture, Characteristics of Joint Ventures, Accounting Concepts for Joint Ventures, Financial Reporting, Taxation Issues, Compliance with Laws and Regulations, Advantages of Joint Ventures, Disadvantages of Joint Ventures, Financial Reporting Issues, Lenders' Perspective, Taxation and Compliance from Lenders' View, Hindu Undivided Family (HUF), Characteristics of HUF, Accounting Concepts and Financial Reporting for HUF, Financial Reporting Standards for HUF, Taxation of HUF in Bangladesh, Compliance Requirements, Advantages of HUF, Disadvantages of HUF, Lenders' Perspective on Dealing with HUF, Short Questions.

References:

1. Anthony, Reece – Accounting Principles (Richard D, Irwin, Inc. U.S.A.).
2. Anthony, Robert N. – Essentials of Accounting (IRWIN, U.S.A.).
3. Harmenson, Edwards, MAHER – Accounting Principles (IRWIN, U.S.A.).
4. Khan, Md. Mainuddin – Advanced Accounting (Ideal Library, Dhaka).
5. Weygandt, Kieso Kell – Accounting Principles (John Wiley and Sons Inc. U.S.A.).
6. Anthony Saunders, Marcia Millon Cornett, Financial Institutions Management: A Risk Management Approach.
7. Joe Ben Hoyle, Business Accounting.
8. Insitute of Cost Accountants of India, Fundamentals of Accounting
9. Saylor Academy, Financial Accounting.
10. Christine Jonick, Principles of Financial Accounting.