ACCOUNTING TECHNOLOGIES
CLASS CODE: AG111
2014/15 SEMESTERS 1 and 2

Names of lecturers:  Sasithorn McDonald
Room numbers: Curran 4.05
Telephone extensions: 3935
E-mail addresses: sasithorn.mcdonald@strath.ac.uk

Please do not hesitate to contact me if you have any problems with the lectures or tutorials. I will post office hours outside of my office giving the times when we are available. If for some reason you need to contact me urgently outside the office hours, you should contact one of the administrators, telephone or E-mail us.

Names of tutors:  Sasithorn McDonald
Yu-Lin Hsu
Frank Carroll (SAGE tutor)
Donna McDougall (Understand Bookkeeping tutor)

The tutor will lead the tutorials and help you understand the issues developed in the lectures, textbooks and assignments. They will check attendance and deal with any problems you have with questions in tutorials. Note you may not finish the questions set for your tutorial each week in the tutorial; you should work on these questions and discuss any problems you may have with your tutor. Some solutions will also be posted on the moodle web page for the class.

CLASS DESCRIPTION
This class is designed to provide an introduction to accounting for those students who intend to study accounting or accounting and finance in subsequent years. It assumes no prior knowledge. It ensures that, in combination with other classes, the accreditation requirements of professional accountancy bodies are met.

Please note that this is NOT a suitable class for students seeking an elective which provides an overview of accounting.

Alternative formats of teaching materials are available on request. Please contact Katherine Duffy or Stephanie Stewart in the departmental office of Accounting and Finance.
CLASS AIMS

The aim of the class is to provide an introduction to the language and concepts underlying accounting, the institutional structures of accounting and the technical foundations of contemporary accounting.

LEARNING OUTCOMES

Subject-specific knowledge and skills

On completing this class you will be able to:

A.1 Describe the roles and information needs of managers, owners, employees, local communities and users of accounting information.
A.2 Explain how accountancy fits into the overall context of management
A.3 Explain and evaluate some of the traditional concepts and theories which underlie the practice of accounting
A.4 Discuss the problems associated with the application of the concepts and theories
A.5 Explain the dual nature of financial transactions
A.6 Describe and explain the function of the various flows of documents through the bookkeeping systems
A.7 Explain and apply the principles of double entry bookkeeping and account for fixed assets, depreciation, stocks, accruals and prepayments, bad debts
A.8 Describe the usefulness of cash flow statements; prepare a cash flow statement
A.9 Explain and apply the main classifications of costs
A.10 Apply concepts of management accounting in simple situations of decision-making and budgeting.
A.11 Be aware of managerial decision processes and how management accounting supports these processes.
A.12 Know a range of contemporary management accounting techniques
A.13 Know a range of performance measurement models used in organisations today
A.14 Be able to use management accounting techniques to help solve a range of organisational problems
A.15 Be aware of the consequences of information provision and that there is a moral and ethical dimension to management accounting.

Cognitive abilities and non-subject specific skills

During this class you will develop abilities and skills in:
B.1 Informal discussion in small groups within the tutorial context
B.2 Problem-solving and analysis
B.3 Computer applications through using a commercial applications package
B.4 Self-paced reinforcement of learning through Understand Bookkeeping self-tuition package
B.5 Evaluation, through coursework assessment.

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ASSESSMENT

Summative Assessment

- 2.5% Financial Accounting class test in first semester
- 2.5% Management Accounting class test in second semester
- Two 2.5% (each) Understand Bookkeeping tests
  You must score 50% in each test in order to pass the class
- 10% accounting essay
- 10% project on a published Annual Report
- 70% final examination
  The major assessment will be a two hour examination in the examination diet after semester two. This will count for 70% of the final mark. The examination will comprise a mixture of computational and essay type questions. Students must score at least 36% in each of the sections (management accounting and financial accounting) in the final examination in order to pass. If the final exam mark is 35% or lower, the mark returned to registry will be the final exam mark. This is a requirement for professional accreditation of the class.
- SAGE test

Overall

Satisfactory attendance at tutorials and completion of tutorial work is considered essential for qualification to sit the final exam.

Formative assessment:

While part of the summative assessment, the coursework and class tests will provide important formative assessment through written feedback on student performance.

If a student fails to meet the pass mark for the undergraduate level of 40 per cent an opportunity will be provided to resit the examination during the August diet of examinations.

There is no exemption in this class due to ICAS accreditation requirements.

TEACHING AND LEARNING

There will be at least three hours of class contact every week: one lecture, one Understand Bookkeeping or SAGE Session and one further hour in a mixed programme of tutorials and workshops. Supplementary classes will be held on Wednesdays as per the lecture programme.

Lectures are intended to direct reading and to explain and illustrate the techniques used in collating and presenting accounting information. Students will be asked to read ahead in order to obtain the maximum benefit.

Tutorials are designed to provide the opportunity for discussion and development of thinking about the subject in a small group setting. Tutorial assignments should be completed before the class meets. In the tutorial further discussion topics will be given to facilitate group working.

Workshops are small-group opportunities to reinforce understanding and application of practical methods in accounting. Exercises will be set in advance and should be completed before the class meets. In the workshop further practical problems will be given to facilitate group working.

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Signing up for tutorials and Understand Bookkeeping/SAGE labs Students can sign-up on or after the Friday of week 1. Attendance at tutorials and labs will be monitored. If your attendance is unsatisfactory then you will receive a warning letter, which will be retained in a departmental file. Continued failure to attend carries the risk of being NQ’d (i.e. deemed not qualified to sit the exam).

Understand Bookkeeping is a package of interactive modules available in the computer lab in CU334.

The SAGE workshop is a computer-based bookkeeping course which will be held in the computer lab in CU334.

ACHIEVEMENT OF LEARNING OUTCOMES
The achievement of learning outcomes is necessary to successfully complete the class, both in terms of your learning development and in your class assessment. It is important, therefore, that you are confident about achieving these outcomes as the class progresses.

PRE-REQUISITES
Entry via N400 and BSc in Mathematics, Statistics and Accounting.

READING
The main text for the course is:


Students who have not previously studied bookkeeping may find it useful to refer also to

Frank Wood and Alan Sangster, *Frank Wood’s Business Accounting 1*, Financial Times Press

FEEDBACK
You will receive feedback in the weekly tutorials and workshops as well as from tests, the project and the essay.
<table>
<thead>
<tr>
<th>Week</th>
<th>Lectures:</th>
<th>Wednesday 10 – 11am</th>
<th>Understand Bookkeeping/SAGE</th>
<th>Tutorials</th>
<th>Reading</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>No lecture</td>
<td>No Bookkeeping/SAGE</td>
<td>No tutorials</td>
<td>Ch 1 sections 1.1 to 1.4, Ch 2 including Supplement</td>
</tr>
<tr>
<td>2</td>
<td>Define the purpose of accounting, nature of assets, liabilities and ownership interest. State and apply the accounting equation</td>
<td>Analyse transactions using the accounting equation and record using debit and credit bookkeeping process</td>
<td>Double entry – Balance Sheet</td>
<td>No tutorials</td>
<td>Ch 1 sections 1.1 to 1.4, Ch 2 including Supplement</td>
</tr>
<tr>
<td>3</td>
<td>Describe the roles of financial accountants, management accountants and auditors. List the users of financial statements and explain their information needs.</td>
<td>Understand the quality of financial statements</td>
<td>Balancing off Accounts, trial balance</td>
<td>Defining assets, liabilities, analysing transactions, Recording transactions in ledger accounts</td>
<td>Ch 1 sections 1.5 to 1.8, Ch 4</td>
</tr>
<tr>
<td>4</td>
<td>Apply the accounting equation to produce simple balance sheets, profit and loss accounts and cash flow statements.</td>
<td>Apply the accounting equation to produce simple balance sheets, profit and loss accounts and cash flow statements</td>
<td>Sage</td>
<td>Role of accounting; Users and information needs, Essay writing in accounting</td>
<td>Ch 3 including Supplement</td>
</tr>
<tr>
<td>5</td>
<td>Explain the application of the accounting equation to transactions of a service business. Produce financial statements from the analysis of transactions. Record transactions using debit and credit bookkeeping. Describe the flow of information which provides evidence of transactions and the source of information for accounting records.</td>
<td>Record transactions for the purchase and sale of stocks of goods, using the debit and credit bookkeeping system</td>
<td>Sage</td>
<td>Apply the accounting equation to produce simple balance sheets, profit and loss accounts and cash flow statements</td>
<td>Ch 5 including supplement</td>
</tr>
<tr>
<td>6</td>
<td>Explain the application of the accounting equation to transactions of a trading business.</td>
<td>Revision</td>
<td>Sage</td>
<td>Accounting equation and debits and credits</td>
<td>Ch 6 including supplement 18.3 and 18.4</td>
</tr>
<tr>
<td>7</td>
<td>Financial Accounting Class Test</td>
<td>Careers</td>
<td>Sage</td>
<td>Trading businesses</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Accounting for fixed assets • define depreciation and explain the logic underlying depreciation</td>
<td>Accounting for fixed assets • define depreciation and explain the logic underlying depreciation</td>
<td>Sage</td>
<td>Inventories</td>
<td>Ch 8</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>9</th>
<th>Accounting for Provisions and non-current liabilities</th>
<th>Accounting for Provisions and non-current liabilities</th>
<th>Sage</th>
<th>Test return &amp; feedback Accounting for fixed assets</th>
<th>Ch 11 &amp; 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Partnership accounts</td>
<td>Creative accounting and forensic accounting. Introduction to essay.</td>
<td>Sage</td>
<td>Accounting for Provisions and non-current liabilities Accounting for ownership interest</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Sage revision lecture</td>
<td>Essay preparation</td>
<td>Double entry – Profit and loss account</td>
<td>Partnership accounts</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>No lecture</td>
<td>SAGE test</td>
<td>Profit and loss account and balance sheet (1)</td>
<td>No tutorials</td>
<td></td>
</tr>
</tbody>
</table>

**SEMESTER 2**

<table>
<thead>
<tr>
<th>1</th>
<th>Accounting for current assets and current liabilities</th>
<th>Accounting for current assets and current liabilities (continued)</th>
<th>Profit and loss account and balance sheet (2)</th>
<th>No tutorials</th>
<th>Ch 9 sections 9.1 to 9.10 Ch 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Cash flow statements</td>
<td>Cash flow statements (continued) Understand and interpret a cash flow statement</td>
<td>Nominal ledger and adjustments Assessment 1</td>
<td>Current assets and liabilities</td>
<td>Ch 3 section 3.6 Ch 7 section 7.6 Ch 15</td>
</tr>
<tr>
<td>3</td>
<td>Company accounts: Presentation and interpretation</td>
<td>Interpretation of ratios and cash flow statements; narrative reporting</td>
<td>VAT</td>
<td>Cash flow statements</td>
<td>Ch 7, 13, 14</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Week</th>
<th>Description</th>
<th>Lecture</th>
<th>Tutorials</th>
<th>Additional Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Annual Report project: Workshop</td>
<td>No lecture</td>
<td>Accruals and prepayments</td>
<td>Interpretation of accounts</td>
</tr>
<tr>
<td>5</td>
<td>No lecture</td>
<td><strong>Understand Bookkeeping Test 1</strong></td>
<td>Wages and salaries</td>
<td>No tutorials</td>
</tr>
<tr>
<td>6</td>
<td>Introduction to Management Accounting</td>
<td>Cost concepts and cost behaviour. Relevant costs</td>
<td>Leasing &amp; Hire Purchase Assessment 2</td>
<td>Understand Bookkeeping Test return &amp; feedback</td>
</tr>
<tr>
<td></td>
<td>History and development Organisational reporting &amp; structures</td>
<td></td>
<td></td>
<td>Revision questions for financial accounting</td>
</tr>
<tr>
<td></td>
<td>Job costs and stock valuation Absorption and marginal costing</td>
<td></td>
<td></td>
<td>Ch 16, 17</td>
</tr>
<tr>
<td>7</td>
<td>Overhead allocation. Activity based costing</td>
<td>Sales and purchase ledgers and daybooks</td>
<td>Cost concepts &amp; behaviour</td>
<td>Ch 18,19</td>
</tr>
<tr>
<td>8</td>
<td>Short term decision making and the usefulness of breakeven analysis</td>
<td>Short term decision making and pricing</td>
<td>The cash book and petty cash</td>
<td>Product costing</td>
</tr>
<tr>
<td>9</td>
<td>Budgets for planning and control Behavioural issues of budgets Preparing a budget</td>
<td>Performance measurement Business strategy and management accounting</td>
<td>Bank reconciliations</td>
<td>Short-term decision making</td>
</tr>
<tr>
<td>10</td>
<td>Workshop and end of section summary</td>
<td><strong>Management Accounting Class test</strong></td>
<td>Control accounts and bad debts</td>
<td>Budgeting</td>
</tr>
<tr>
<td>11</td>
<td>Revision week (no lectures)</td>
<td>No lecture</td>
<td>Final Accounts Assessment 3</td>
<td>Class Test return &amp; feedback</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Revision questions for management accounting</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>No lectures</td>
<td>No lecture</td>
<td><strong>Understand Bookkeeping Test 2</strong></td>
<td>No tutorials</td>
</tr>
</tbody>
</table>

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