

<b>Course Name:</b>	Financial Accounting	
<b>Course Code:</b>	ODLCOM1133	
<b>Credit Value:</b>	3	
<b>Status</b>	Year 1/Semester 1/Compulsory	
<b>Notional hours</b>	Independent/Self-directed learning	On site (in class)/Virtual Lectures, Lab sessions, assessments, consultation and guidance
	130	20
<b>Course Aim</b>		
This course unit aims to provide knowledge of accounting standards and understanding of their applications in the preparation and presentation of financial statements of an entity		
<b>Intended Learning Outcomes</b>		
<ul style="list-style-type: none"> <li>– explain the impact of environmental factors on financial accounting and reporting</li> <li>– identify the elements and components of financial statements</li> <li>– apply the conceptual framework for the financial reporting</li> <li>– apply the relevant accounting treatment on assets and liabilities in the preparation and presentation of financial statements</li> <li>– distinguish between and account for adjusting and non-adjusting events after the reporting period</li> <li>– explain legal environment of a partnership business</li> <li>– prepare financial statements of partnerships</li> <li>– explain the legal background of a limited liability company</li> <li>– identify available sources of funds for a company</li> <li>– explain accounting entries for share/debenture issues and redemption of shares and debentures</li> <li>– prepare the financial statements of limited liability companies</li> <li>– prepare the cash flows statement</li> <li>– discuss the applications of professional body ethics in financial accounting and reporting</li> </ul>		
<b>Course Content</b>		
<p><b>Overview of financial accounting:</b> stakeholders of a business and their information needs, types of business organizations, accounting as an information system, branches of accounting–financial accounting and management accounting; <b>Environment of accounting:</b> categories of accounting environment, accounting standard board, development of accounting standards, the need of accounting standards; <b>Conceptual framework of financial reporting:</b> purpose of a conceptual framework, framework for financial reporting, objectives, underlying assumptions, qualitative characteristics, elements, recognition and measurement of elements, advantages and limitation of conceptual framework; <b>Regulatory requirements, and application &amp; disclosure requirements of Sri Lanka accounting standards in preparing financial statements:</b> <b>Presentation of financial statements:</b> objectives, scope, definitions, financial statements, structure and content; <b>Inventories:</b> definitions, measurement of inventories, cost formulas, disclosures; <b>property, plant and equipment:</b> definitions, recognition and measurement–cost model and revaluation model, depreciation, disclosures; <b>Intangible assets:</b> definitions, recognition and initial measurement, measurement after initial</p>		

<p>recognition, amortization, disclosures; <b>Impairment of assets:</b> definitions, recognition and measurement of impairment loss, disclosures; <b>Borrowing cost:</b> definitions, capitalization of borrowing cost, disclosures; <b>Accounting for leases ;</b> accounting for finance leases (in the books of lessee and lessor), accounting for operating leases (in the books of lessee and lessor), sale and leaseback; <b>provisions, contingent liabilities and contingent assets:</b> definitions, recognition and disclosures of provisions, contingent liabilities and contingent assets, <b>Adjusting events after reporting period;</b> definition, recognition and measurement, disclosure; <b>Financial statements for a partnership:</b> provisions in the partnership ordinance and other laws in relation to partnership accounting, partner's capital &amp; current accounts, income statement of a partnership, appropriation of partnership profits and losses, calculation and treatment of goodwill, statement of financial position of a partnership, adjustments under changes in ownership (at the beginning or end of the financial period), accounting for goodwill through partner's capital accounts under ownership changes; <b>Preparation of financial statements for limited liability companies:</b> legal background of a limited liability company, share/debenture issues and redemption of shares and debentures, preparation and presentation of financial statements; <b>Importance of ethics in accounting.</b></p>	
<b>Teaching and Learning Methods/Activities</b>	Self-instructional printed/ non printed course materials, audio-visual aids for self-learning, Self-learning assignments, On site (in class) lectures, consultation and guidance, audio and video conferencing for virtual lectures, online learning management systems for teaching learning and assessments, Google Drive and similar collaborative tools, mobile devices, as well as a growing list of social media tools for student engagement and self-learning activities
<b>Assessment Strategy</b>	<p><b>Formative assessment (In-course): 30%</b></p> <ul style="list-style-type: none"> <li>– At least two assessments for 30 Marks</li> <li>– The assessments could take any forms such as classroom assignment, take-home (group or individual) assignment, quiz, presentations, case study, and forum.</li> </ul> <p><b>Summative Assessment: 70%</b></p> <ul style="list-style-type: none"> <li>– End of course written examination is of three-hour duration</li> <li>– Question paper contains Six (06) questions. Students are expected to answer Five (05) questions including question Number one (01) (compulsory) out of six questions (06) that may include several parts. Total marks for this part is 80.</li> </ul>
<p><b>Recommended Reading:</b></p> <ul style="list-style-type: none"> <li>• Atrill P. &amp; McLaney E. J. (2019). <i>Financial accounting for decision makers</i>. (7 th ed.) Harlow: Pearson.</li> <li>• Elliott, B., &amp; Elliott, J. (2019). <i>Financial accounting and reporting</i>. New York: Pearson Education.</li> <li>• CA Sri Lanka. (2020). <i>Accounting Standard</i>. Colombo, Sri Lanka: The Institute of Chartered Accountants of Sri Lanka.</li> <li>• Jones, Michael, (2014). <i>Financial accounting</i>. (2nd ed.) West Sussex: John Wiley and Sons.</li> <li>• Leiwty, D. &amp; Perks, R. (2018). <i>Accounting: understanding and practice</i>. (4th ed.) New York: McGraw-Hill Higher Education.</li> </ul>	