

**MAKERERE UNIVERSITY BUSINESS SCHOOL**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF**  
**ACCOUNTING**  
**COURSE OUTLINE**

<b>PROGRAM:</b>	<b>BACHELOR OF ENTREPREURSHIP</b>
<b>COURSE NAME:</b>	<b>FINANCIALACCOUNTING</b>
<b>COURSE CODE:</b>	<b>ACC2211</b>
<b>YEAR OF STUDY:</b>	<b>TWO</b>
<b>SEMESTER:</b>	<b>TWO</b>
<b>ACADEMIC YEAR:</b>	<b>2025/2026</b>
<b>CREDIT UNIT:</b>	<b>4</b>

### **Course Description**

This course introduces the learner to the functions, principles underlying accounting statements and reporting, particularly the processes through which accountants are able to communicate to the users of accounting information. Students are introduced to the double entry rule in accounting and the accruals system. The course introduces to students the accounting period, matching, and the going concern issues and how these trigger accounting measurements and recognition criteria. Therefore, the course introduces to students the generally accepted accounting practice.

### **Course Objectives**

**The course aims at enabling students to;**

- Explain the context and purpose of Financial accounting
- Define the qualitative characteristics of financial information and fundamental bases of accounting
- Demonstrate the use of double -entry and accounting systems
- Record transactions and events
- Prepare a trial balance
- Prepare bank reconciliation statement
- Prepare basic financial statements and other accounting records in line with the General Accepted Accounting Principles.

### **Learning Outcomes**

On completing this course, the learner should be able to:

- Explain the context and purpose of Financial accounting
- Define the qualitative characteristics of financial information and fundamental bases of accounting

- Demonstrate the use of double entry system in accounting
- Record transactions and financial events
- Prepare a trial balance
- Prepare bank reconciliation statement
- Prepare basic financial statements and other accounting records in line with the General Accepted Accounting Principles

## DETAILED CONTENT

Topics	Sub topics	Duration	Learning outcome- students should be able to;
<b>ONE</b> Introduction to accounting	a) Definition and role of accounting b) Types of accounting c) Types of business entities d) Users of Accounting information and their user needs e) Accounting bases, standards, policies & GAAP. f) Accounting Concepts. <ul style="list-style-type: none"> <li>• Their meaning, relevancy and limitation using examples.</li> <li>• Explain and illustrate the application of the accounting concepts.</li> </ul> g) The qualitative characteristics of financial statements; <ul style="list-style-type: none"> <li>• Fundamental (relevance &amp; faithful representation)</li> <li>• Enhancing (verifiability, timeliness, comparability &amp; understandability).</li> </ul>	<b>6Hrs</b>	<ul style="list-style-type: none"> <li>• Identify the role of accounting</li> <li>• Explain the different forms of business organizations.</li> <li>• Identify the different users of financial statements and their needs</li> <li>• Identify and explain the different accounting concepts</li> <li>• Explain the qualitative characteristics of financial information</li> </ul>
<b>TWO:</b> The double entry accounting system.	a) The elements of financial statements assets & liabilities (current and non-current) common examples of each Equity- owners' equity, equity shares, accumulated profits, other reserves main types of business transactions, capital and revenue expenditure b) The main forms of business transactions (purchases, sales, payments, receipts, returns, discounts, drawings).	<b>6hrs</b>	<ul style="list-style-type: none"> <li>• Identify and record business transactions using double entry</li> <li>• Explain the double entry system for assets, liabilities, capital, expenses and revenue</li> </ul>

	<p>c) The statement of financial position &amp; the effect of business transactions on the statement of financial position</p> <p>d) Recording of transactions within the Double Entry system;</p>		
<p><b>THREE</b> Preparation of books of accounts.</p>	<p>(a) Accounting process/ cycle Define and illustrate the accounting cycle &amp; Identify books of prime entry</p> <p>(b) Source documents Identify and explain the purpose of source documents: sales order, purchases order, invoice, credit note, delivery note, pay slip, goods received note, receipt</p> <p>(c) Journals Explain the general journal and subsidiary journals (sales day book, purchases day book, purchases and sales returns day books) Uses of the different types of journals Prepare the different types of journals and post transactions to the ledgers</p> <p>(d) Ledgers Identify and explain the types of ledgers: general and subsidiary Recording transactions from journals to ledger accounts, balancing and closing ledger accounts</p> <p>(e) The Trial balance- its extraction, purpose &amp; the errors it does not detect.</p> <p>(f) Cash book Explain and discuss the purpose of the two-column cash book</p> <p>(g) Preparation of bank reconciliation statement</p> <ul style="list-style-type: none"> <li>• Explain the nature and purposes of a bank reconciliation statement.</li> <li>• Identify the reasons that may cause a difference between bank statement balance and the cash book balance</li> </ul>	<p><b>16hrs</b></p>	<ul style="list-style-type: none"> <li>• Explain the accounting process/cycle</li> <li>• Explain the different source documents</li> <li>• Prepare journal and Post to the ledgers</li> <li>• Explain the different types of ledgers</li> <li>• Extract a trial balance</li> <li>• Identify errors not revealed by the trial balance and how they are corrected.</li> <li>• Explain the different types of cash book</li> <li>• Preparation of Cash Book (Two column)</li> <li>• The purpose of bank reconciliation and why the cashbook and the bank statement balances may differ</li> <li>• Preparation of a bank reconciliation statement.</li> </ul>

	<ul style="list-style-type: none"> <li>• Prepare an adjusted cash book</li> <li>• Prepare a bank reconciliation statement</li> </ul>		
	<b>COURSE WORK TEST ONE</b>		
<b>FOUR</b> Adjustments to financial statements	a) Accruals and Prepayments. b) Bad debts and Provisions for doubtful debts c) Depreciation of Non-current assets.	<b>4hrs</b>	<ul style="list-style-type: none"> <li>• illustrate the treatment of accruals and prepayments in the income statement and balance sheet</li> <li>• Calculate depreciation of the non-current assets</li> <li>• Account for disposal of fixed assets</li> </ul>
<b>FIVE</b> Preparation of financial statements	a) Explain the complete set of financial statements b) Format for the statement of profit or loss (income statement) and statement of financial position. c) Presentation of financial statements for; <ul style="list-style-type: none"> <li>• Trading concerns</li> <li>• Service firms.</li> </ul>	<b>8hrs</b>	<ul style="list-style-type: none"> <li>• Prepare an income statement and statement of financial position of trading and service firms</li> <li>• Identify a complete set of financial statement</li> </ul>
	<b>COURSEWORK TWO</b>		
	a) Manufacturing cost statement. <ul style="list-style-type: none"> <li>• Identify and explain the different manufacturing costs (direct and indirect).</li> <li>• Illustrate the preparation of a manufacturing account</li> </ul> b) Income Statement of a manufacturing business. <ul style="list-style-type: none"> <li>• Explain the link of the manufacturing account to the income statement.</li> </ul>	<b>4 hrs</b>	<ul style="list-style-type: none"> <li>• Prepare an income statement and statement of financial position of a manufacturing firm.</li> </ul>
<b>SIX</b> <b>Accounts for non-profit making organization</b>	a) Receipts and payment account b) Income and expenditure account c) Subscription account d) Statement of accumulated funds or general funds	<b>4hrs</b>	Prepare the accounts for the not-for-profit organizations including the subscription account and the income statement.

	e) Trading activities (the bar trading a/c)		
	f) Preparation of final accounts for non-profit making organizations		

**METHODS OF INSTRUCTION AND DELIVERY**

- i) Straight Lectures
- ii) Group discussion and presentations
- iii) Take home assignments

**COURSE ASSESSMENT**

This shall be composed of the following;

- Coursework tests( One and Two) ..... 30%
- Final examination ..... 70%
- Total..... 100%

**READING LIST**

1. Nkundabanyanga K.S (2017): *Financial Accounting* (Practical approach) 2<sup>nd</sup> Edition Wide Link Services
2. Serwanga .A (2005): *Introduction to Financial Accounting*, Kampala 1<sup>st</sup> Edition. Wide Link Services.
3. Internal Accounting Standards Board, International Financial Reporting Standard, IFRS Foundation
4. Wood Frank. and Alan Sangster, (2011): *Business Accounting*, Prentice Hall, Great Britain 12<sup>th</sup> Edition.  
Available online.

**COURSE FACILITATORS:**

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