

# IB124-15 Introduction to Financial Accounting

**22/23**

**Department**

Warwick Business School

**Level**

Undergraduate Level 1

**Module leader**

Louise Gracia

**Credit value**

15

**Module duration**

10 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

Students will:

Understand the role of accounting as an information system for decision-making, a monitoring mechanism for business, and its place in changing business and technological environments.

Explain the basic principles and concepts that underpin accounting and its development.

Develop the ability to record and summarise accounting transactions and events.

Be able to integrate accounting adjustments into accounting records and understand their effect.

Prepare, present and interpret financial statements (the statement of profit or loss, the statement of financial position, the statement of changes in equity, and the statement of cash flows) for single entities (sole traders and companies).

### Module aims

Students will:

Understand the role of accounting as an information system for decision-making, a monitoring mechanism for business, and its place in changing business and technological environments.

Explain the basic principles and concepts that underpin accounting and its development.

Develop the ability to record and summarise accounting transactions and events.

Be able to integrate accounting adjustments into accounting records and understand their effect. Prepare, present and interpret financial statements (the statement of profit or loss, the statement of financial position, the statement of changes in equity, and the statement of cash flows) for single entities (sole traders and companies).

## Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

- 1) The objectives of accounting.
- 2) The underpinning principles and concepts of financial accounting.
- 3) The effect of financial transactions on financial statements.
- 4) Accounting systems necessary to capture, record and summarise financial transactions and to enable financial statements to be prepared.
- 5) Period-end adjustments to financial records and statements.
- 6) Inventory valuation.
- 7) The preparation and presentation in appropriate form of the statement of profit or loss and the statement of financial position for sole traders and companies, and for a company, the statement of changes in equity.
- 8) The importance of liquidity, the difference between profit and cash, and the statement of cash flows.
- 9) The interpretation of the profitability, liquidity, asset management and capital structure of businesses using a variety of techniques.
- 10) An introduction to the regulatory environment for financial reporting.

## Learning outcomes

By the end of the module, students should be able to:

- Explain and understand the objectives of accounting as providing information for decision-making and to evaluate the performance of management.
- Understand the underpinning concepts and theories of financial accounting.
- Understand sole trader and company structures and how they affect financial statements.
- Understand how financial accounting information requirements relate to changing business and technological environments.
- Assess the nature of financial accounting information, and be able to describe the relationship between different financial statements.
- Evaluate underpinning principles of financial accounting.

## Indicative reading list

Core Text:

Jones, (2014, 2nd edition), Financial Accounting, Wiley

Suggested Supplementary Readings taken from:

Scott, (2018), Introduction to Financial Accounting, OUP Alexander, Nobes & Ullathorne, (2013, 5th edition), Financial Accounting – An International Introduction, Pearson Benedict & Elliott,

(2011, 2nd edition), Financial Accounting – An Introduction, FT Prentice Hall

Directed Readings of Relevant Technical and Theoretical Articles taken from:

ACCA student accountant section of ACCA website –

[www.accaglobal.com/publications/studenttaccountant](http://www.accaglobal.com/publications/studenttaccountant) Solomons, D. (1961) "Economics and Accounting Concept of Income", The Accounting Review, Vol 36, July 1961, pp 374-383.

## Subject specific skills

Record and summarise financial transactions and events.

Prepare and interpret financial statements for different types of single entities.

## Transferable skills

Record and summarise financial transactions and events.

Prepare and interpret financial statements for different types of single entities.

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## Study

### Study time

Type	Required
Lectures	10 sessions of 1 hour (7%)
Seminars	9 sessions of 1 hour (6%)
Online learning (independent)	10 sessions of 1 hour (7%)
Private study	49 hours (33%)
Assessment	72 hours (48%)
Total	150 hours

### Private study description

Private Study.

### Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

## Assessment group D3

	Weighting	Study time	Eligible for self-certification
Weekly Quizzes	10%	7 hours	No
Weekly Reading Assessment	15%	11 hours	No
On-campus Examination	75%	54 hours	No

- Answerbook Gold (24 page)
- Students may use a calculator

## Assessment group R

	Weighting	Study time	Eligible for self-certification
Individual Online Test	25%		No
On-campus Examination	75%		No

- Answerbook Gold (24 page)
- Students may use a calculator

## Feedback on assessment

Feedback via my.wbs.

[Past exam papers for IB124](#)

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## Availability

### Post-requisite modules

If you pass this module, you can take:

- IB233-15 Financial Reporting 1
- IB396-15 Financial Statement Analysis and Security Valuation
- IB230-15 Powerful Accounting: Critical Perspectives
- IB234-15 Financial Reporting 2
- IB337-15 Business Taxation

### Anti-requisite modules

If you take this module, you cannot also take:

- IB133-15 Foundations of Accounting

- IB146-15 Accounting for Business

## **Courses**

This module is Core for:

- Year 1 of UIBA-N400 Undergraduate Accounting and Finance
- Year 2 of UIBA-N403 Undergraduate Accounting and Finance (with Foundation Year)