

# IB124-15 Introduction to Financial Accounting

**23/24**

**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:

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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**

<b>Type</b>	<b>Required</b>
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 D4**

	<b>Weighting</b>	<b>Study time</b>
Weekly Quizzes	10%	7 hours
On-campus Examination	75%	54 hours
<ul style="list-style-type: none"> <li>• Answerbook Pink (12 page)</li> <li>• Students may use a calculator</li> </ul>		

## **Assessment group R1**

	<b>Weighting</b>	<b>Study time</b>
Individual assessment	25%	
Individual assessment comprising both a 500 word written component, and a quantitative component of accounts preparation and accounting calculations (replaces quiz & reading assessment).		
On-campus Examination	75%	
<ul style="list-style-type: none"> <li>• Students may use a calculator</li> </ul>		

## **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

### **Anti-requisite modules**

If you take this module, you cannot also take:

- IB133-15 Foundations of Accounting
- IB146-15 Accounting for Business

There is currently no information about the courses for which this module is core or optional.