

IB2D3-15 Accounting in Practice

23/24

Department

Warwick Business School

Level

Undergraduate Level 2

Module leader

Sadia Khan

Credit value

15

Module duration

10 weeks

Assessment

100% exam

Study location

University of Warwick main campus, Coventry

Description

Introductory description

This is an elective module for first year non-WBS students. It can be taken on it's own, or along with other WBS modules as part of the Business and Management pathway. Please speak to your home department for more information.

The module aims to provide students with a broad introduction to financial and management accounting from a managerial or user perspective rather than that of an accounting specialist.

Module aims

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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. Measuring and reporting financial position: overview of the main financial statements; classification of assets and liabilities; accounting conventions and concepts; basic construction and meaning of the statement of financial position.

2. Measuring and reporting financial performance: the relationship between the income statement and the statement of financial position; recognising revenue and expenses; layout of income statement; depreciation; cost of sales; basic construction and understanding of an income statement (profit and loss account).
3. Measuring and reporting cash flows: the importance of cash flow; differences between cash and profit; construction and analysis of basic cash flow statements.
4. Analysing and interpreting financial statements: using various ratios to enable a firm's performance to be analysed and compared to its peers or its own performance over time; limitations of ratio analysis.
5. Cost-volume-profit analysis: classification of costs; break -even analysis; using relevant costs to inform short -term decision making.
6. Full costing in single and multi-product businesses; total absorption costing; introduction to activity -based costing.
7. Budgeting: the relationship between budgeting and strategy; how budgets link to each other; preparation of budgets; introduction to variance analysis; using budgets as control devices – behavioural considerations

Learning outcomes

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

- Evaluate the importance of financial and management accounting as business tools and the nature and importance of accounting information to a broad range of users.
- Prepare basic financial statements, including the Income Statement and Statement of Financial Position, and critically comment on the links between these statements of financial performance and position.
- Effectively use and apply a range of basic accounting tools to assist management decision-making, planning, control and performance appraisal in a range of contexts.
- Identify the limitations of accounting information and evaluate the implications of these for the analysis, interpretation and use of that information.
- Analyse and interpret a range of different types of accounting information and effectively communicate results or responses to user groups using appropriate financial language.
- Interpret ratios in order to analyse position of firm, demonstrating understanding of the limitations of this type of analysis
- Calculate important ratios using financial statement information

Indicative reading list

P Atrill and E McLaney, Accounting and Finance for non-Specialists (latest edition), Financial Times/Prentice Hall.

Subject specific skills

Construct simple versions of the three main financial statements from relevant information provided.

Use traditional full-costing techniques to deduce the full cost of a unit of output in both a single-product and a

multi-product environment.

Construct budgets from relevant data; and flex budgets to take account of changes in output.

Transferable skills

Provide clear written explanations of various aspects of the module, including: the use of budgets as tools for achieving organisational objectives; the advantages and disadvantages of activity based costing in comparison to traditional costing; the uses and limitations of ratio analysis; the (intended and unintended) consequences of imposing accounting conventions on the preparation of financial statements.

Study

Study time

Type	Required
Lectures	10 sessions of 1 hour (14%)
Seminars	9 sessions of 1 hour (12%)
Online learning (independent)	10 sessions of 1 hour (14%)
Private study	43 hours (60%)
Total	72 hours

Private study description

Independent learning

Costs

No further costs have been identified for this module.

Assessment

You must pass all assessment components to pass the module.

Assessment group B

	Weighting	Study time
Online Examination	100%	78 hours
Online Examination		
~Platforms - AEP		

Weighting

Study time

- Online examination: No Answerbook required

Feedback on assessment

In class and on my.wbs

[Past exam papers for IB2D3](#)

Availability

Post-requisite modules

If you pass this module, you can take:

- IB233-15 Financial Reporting 1
- IB232-15 Management Accounting for Decision Making and Control

Courses

This module is Core optional for:

- Year 2 of UPXA-F3N2 Undergraduate Physics with Business Studies

This module is Optional for:

- UECA-3 Undergraduate Economics 3 Year Variants
 - Year 2 of L100 Economics
 - Year 2 of L100 Economics
 - Year 2 of L100 Economics
- UECA-LM1D Undergraduate Economics, Politics and International Studies
 - Year 2 of LM1D Economics, Politics and International Studies
 - Year 2 of LM1D Economics, Politics and International Studies
- UPHA-L1CA Undergraduate Economics, Psychology and Philosophy
 - Year 2 of L1CA Economics, Psychology and Philosophy
 - Year 2 of L1CC Economics, Psychology and Philosophy (Behavioural Economics Pathway)
 - Year 2 of L1CD Economics, Psychology and Philosophy (Economics with Philosophy Pathway)
 - Year 2 of L1CE Economics, Psychology and Philosophy (Philosophy and Psychology Pathway)
 - Year 3 of L1CA Economics, Psychology and Philosophy
 - Year 3 of L1CC Economics, Psychology and Philosophy (Behavioural Economics Pathway)

- Year 3 of L1CD Economics, Psychology and Philosophy (Economics with Philosophy Pathway)
- Year 3 of L1CE Economics, Psychology and Philosophy (Philosophy and Psychology Pathway)
- UPHA-L1CB Undergraduate Economics, Psychology and Philosophy (with Intercalated Year)
 - Year 4 of L1CG Economics, Psychology and Philosophy (Behavioural Economics Pathway) (with Intercalated Year)
 - Year 4 of L1CH Economics, Psychology and Philosophy (Economics with Philosophy Pathway) (with Intercalated Year)
 - Year 4 of L1CJ Economics, Psychology and Philosophy (Philosophy and Psychology Pathway) (with Intercalated Year)
 - Year 4 of L1CB Economics, Psychology and Philosophy (with Intercalated Year)
 - Year 4 of L1CB Economics, Psychology and Philosophy (with Intercalated Year)

This module is Unusual option for:

- UPHA-L1CA Undergraduate Economics, Psychology and Philosophy
 - Year 2 of L1CA Economics, Psychology and Philosophy
 - Year 3 of L1CA Economics, Psychology and Philosophy

This module is Option list B for:

- Year 2 of UESA-HN15 BEng Engineering Business Management
- Year 2 of UMAA-G105 Undergraduate Master of Mathematics (with Intercalated Year)
- Year 2 of USTA-G300 Undergraduate Master of Mathematics, Operational Research, Statistics and Economics
- UMAA-G100 Undergraduate Mathematics (BSc)
 - Year 2 of G100 Mathematics
 - Year 2 of G100 Mathematics
 - Year 2 of G100 Mathematics
- UMAA-G103 Undergraduate Mathematics (MMath)
 - Year 2 of G100 Mathematics
 - Year 2 of G103 Mathematics (MMath)
 - Year 2 of G103 Mathematics (MMath)
- Year 2 of UMAA-G106 Undergraduate Mathematics (MMath) with Study in Europe
- Year 2 of UMAA-G1NC Undergraduate Mathematics and Business Studies
- Year 2 of UMAA-G1N2 Undergraduate Mathematics and Business Studies (with Intercalated Year)
- Year 2 of UMAA-GL11 Undergraduate Mathematics and Economics
- Year 2 of UECA-GL12 Undergraduate Mathematics and Economics (with Intercalated Year)
- Year 2 of UMAA-G101 Undergraduate Mathematics with Intercalated Year
- USTA-Y602 Undergraduate Mathematics, Operational Research, Statistics and Economics
 - Year 2 of Y602 Mathematics, Operational Research, Stats, Economics
 - Year 2 of Y602 Mathematics, Operational Research, Stats, Economics