



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

MICPA Conversion Programme

Module Outline

Financial Accounting 1

FINANCIAL ACCOUNTING 1

AIM

1. To understand the conceptual framework and apply the accounting concepts in financial accounting
2. To prepare journal entries, posting to general ledgers and perform year-end adjustments
3. To understand the impacts of information technology on financial accounting
4. To prepare financial statements for sole proprietor, partnership and companies
5. To analyse and interpret financial statements
6. To prepare the Statement of Cash Flows

INTRODUCTION

Financial accounting is also known as the language of business. This paper introduces students to the essential knowledge and principles of financial accounting. Students will be exposed to the conceptual framework, learn to apply accounting concepts, and record business transactions. Students are also required to prepare financial statements for sole proprietor, partnership and companies. In addition, students will learn how to analyse and interpret financial statements.

EXAMINATION FORMAT

A 3-hour written paper comprising 5 – 6 compulsory questions

SYLLABUS WEIGHTING

SYLLABUS CONTENT AREA	WEIGHTING
Overview of Accounting Conceptual Framework Accounting Equations and Financial Statements Accounting Principles for Assets, Liabilities and Equity	20%
Recording Business Transactions Accrual Accounting Impacts of Information Technology on Financial Accounting	20%
Presentation of Financial Statements for Sole Proprietor and Partnership Presentation of Financial Statements for Companies	20%
Analysis and Interpretation of Financial Statements	20%
Statement of Cash Flows (MFRS 107)	20%
Total	100%

SYLLABUS CONTENT

NO	TOPIC
1.	Overview of Accounting <ul style="list-style-type: none"> a) Business decisions b) Accounting: the language of business c) Financial Accounting and Management Accounting d) Organising a business e) Accounting standards
2.	Conceptual Framework <ul style="list-style-type: none"> a) Why is financial reporting important? b) Who are the users of accounting information? c) What makes accounting information useful? d) What constraints do we face in providing useful information? e) What are our assumptions in financial reporting? f) What exactly are we accounting for?
3.	Accounting Equations and Financial Statements <ul style="list-style-type: none"> a) Statement of Comprehensive Income b) Statement of Financial Position c) Statement of Changes in Equity d) Statement of Cash Flows e) Relationships among the Financial Statements
4.	Accounting Principles for Assets, Liabilities and Equity <ul style="list-style-type: none"> a) Share capital and debenture b) Noncurrent assets and current assets c) Noncurrent liabilities and current liabilities d) Investments
5.	Recording Business Transactions <ul style="list-style-type: none"> a) Accounting for business transactions b) Double entry accounting c) Recording transactions d) The trial balance
6.	Accrual Accounting <ul style="list-style-type: none"> a) Accrual accounting versus cash basis accounting b) The time period concept c) The revenue recognition principle d) The matching concept

NO	TOPIC
	<ul style="list-style-type: none"> e) The adjusting process f) The adjusted trial balance
7.	Impacts of Information Technology on Accounting <ul style="list-style-type: none"> a) Manual vs Computerised Accounting Systems b) Internal controls
8.	Presentation of Financial Statements for Sole Proprietor and Partnership <ul style="list-style-type: none"> a) Formation and operations b) Admission, retirement and dissolution
9.	Presentation of Financial Statements for Companies <ul style="list-style-type: none"> a) Annual reports as a communication tool b) Presentation requirements (MFRS 101)
10.	Analysis and Interpretation of Financial Statements <ul style="list-style-type: none"> a) Horizontal analysis b) Vertical analysis c) Benchmarking d) Ratios analysis
11.	Statement of Cash Flows (MFRS 107) <ul style="list-style-type: none"> a) Overview of the Statement of Cash Flows b) Direct method c) Indirect method d) Cash flows from operating activities e) Cash Flows from investing activities f) Cash flows from financing activities g) Analysing Cash Flow Statement

RECOMMENDED REFERENCE TEXTS

AUTHOR	TITLE	PUBLISHER
Harrison, W. T., Horngren, C. T., Thomas, C. W., & Suwardy, T. (2014)	Financial accounting: International financial reporting standards	Boston: Pearson

OTHER REFERENCES

Financial Reporting Standards (MFRS) issued by MASB; available at www.masb.org.my

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