



## **BBA 12023: Financial Accounting**

Level: 1000

Number of Credits : 03

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### **Course Description**

Financial Accounting enhances the knowledge and understanding of accounting principles and concepts. It improves technical proficiency in the use of accounting standards in preparation and presentation of financial statements for partnerships and group of companies.

### **Intended Learning Outcomes**

At the end of this course, the student will be able to;

- Describe the key concepts, principles and techniques in accounting
- Prepare financial statements for companies and groups
- Apply accounting treatments for business restructuring

### **Teaching/Learning Methods**

Lectures, group discussions, workshops and seminars

### **Methods of Assessment**

In-course Assessments	: 30%
End Semester Examination	: 70%

### **Course Contents**

- 1 Introduction to accounting concepts and principles  
Conceptual framework for financial reporting and overview of Accounting Standards
- 2 Accounting for partnerships  
Dissolution of partnership firms, Amalgamation and absorption of partnership firms, Sale and conversion of a partnership to a Limited Liability Company
- 3 Accounting for shares and debentures  
Issue and redemption of ordinary shares, preference shares and debentures
- 4 Preparation of financial statements for publication purposes.  
Presentation of Financial statements  
Accounting for inventories, property, plant and equipment, leases, events after the reporting period, provisions, contingent liabilities and contingent assets
- 5 Accounting for group of companies  
The concept and principles of a group; preparation of consolidated financial statements, provision for unrealized profit for stock and other tangible assets, elimination of intercompany indebtedness, revaluation of PPE of subsidiary, adjustment for intercompany income and expenses including intercompany dividends, computation of goodwill/ gain from a bargain purchase, non-controlling interest & consolidated reserves

### **Recommended Readings**

- 1 Kenleo et al. (2013). *Company Accounting* (9 ed.). Australia: John Wiley and Sons.
- 2 Kaplan (2020) *Financial Reporting (ACCA)* Kaplan Publishing Unit 2, The Business centre Molly Millars Lane Wokingham, Berkshire, UK.
- 3 *Sri Lanka Accounting Standards Manual*.