

**Course Title: Introduction to Accounting**  
**International Program for Islamic Economics and Finance (IPIEF)**  
**Academic Year 2019/2020**

**Course Coordinator: Dr Rizal Yaya MSc, Acc (HP-081281376476).**

**Course Instructor: Md Abu Jahid, MBA, Acc (HP-081228117963).**

**Subject Description**

This subject discusses accounting definition and its function on the business decision making, basic concepts and principles of financial statement, and accounting cycle in service and merchandise company.

1. Accounting and the Business
  - a. Accounting definition
  - b. Users of Accounting Information
  - c. Accounting Profession
  - d. Accounting Equation
  - e. Accounting Concept and Principles
2. Recording Business Transaction
  - a. The Account, Journal and Ledgers
  - b. Debit Credit and Double Entry Accounting
3. The Adjusting Process
  - a. Accrual and Cash Basis Accounting
  - b. Adjusting Entries
4. Completing the Accounting Cycles
  - a. The work sheet
  - b. Preparing the financial Statements
5. Accounting for merchandise company
  - a. FIFO and LIFO
  - b. Journal entries
  - c. Preparing the financial Statements
6. Financial statement analysis
  - d. Ratio analysis
  - e. Cross section analysis

## Reference Books

❖ **Text book**

Hornngren, C., Harrison, W. and Oliver, S. (2012), *Accounting*, 9th edition, Prentice Hall., New Jersey.

❖ **Supporting Book:**

Accounting Principles, 9th Edition by Jerry J. Weygandt (Author), Paul D. Kimmel (Author), Donald E. Kieso (Author)

## Marking Score distribution

Mid Term and Final-Examination	80%
Assignments	10%
Participation	10%

## Student's Responsibilities

1. Class meeting will be used by the lecturer to confirm student's understanding of the underlying concepts of accounting for Islamic bank. Students should read the chapter assigned and are required to do and submit the individual homework assigned or group assignment before each class meeting or as required.
2. Students are expected to attend all scheduled class meetings. Absence from class meetings shall not exceed 20%. Students who exceed the 20% shall not be allowed to take remedial competency test.
3. Operating laptop, mobile phone, and other communication devices are strictly prohibited during class meetings. Any student found operating these devices should leave the class and will be considered as an absence for the class meeting.

### **Academic Integrity**

Academic integrity forms a fundamental bond of trust between colleagues, peers, lecturers, and students, and it underlies all genuine learning. There is no tolerance for plagiarism or academic dishonesty in any form, including, but not limited to, viewing the exams of others, sharing answers with others, using books or notes while taking the exam, copying answers or papers, or passing off someone else's work as one's own. A breach of ethics or act of dishonesty can result in A FAILURE OF AN ENTIRE COURSE (a grade of "E").

### **Teaching Methods**

The class is designed in combination of theoretical, case study and class discussion. Students must be active in the class through discussion, asking and answering questions, presentation, and working on assignments.

#### **IV. Class rules**

- Minimum attendance 80%
- Late coming is allowed only 10 minutes after class started.
- It is compulsory to attend competency test, quiz and do assignments
- There is no tolerance to do cheating during the exam. Cheating during exam will be punished with zero point for the exam and not allowed to take remedial exam. Students with twice cheating will automatically receive E grade.
- Student should bring textbook, writing book and calculator in every meeting.
- Tidy and polite dress up, not allowed to use sandal, T-Shirt and cloth that show aurat (for female)
- It is allowed to have snack and drink during the class
- Students are not allowed to leave rubbish and do vandalism inside the class
- Students are not allowed to make noise or disturb teaching and learning process
- All electronic instruments are not allowed to be used unless instructed or permitted by the lecturer.

## Lectures

Week	Basic Competence	Indicator	Sub topics	Learning experience	Evaluation	Instruments	References
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	<ol style="list-style-type: none"> <li>1. Know the topics and course schedule.</li> <li>2. Understand the expected competences in taking the course.</li> <li>3. Understand the definition, users, function and types of financial report.</li> </ol>	<ol style="list-style-type: none"> <li>1. Students are motivated to do independent learning out of meeting hours.</li> <li>2. Students will attend classes on time and behave properly.</li> <li>3. Students understand the definition of accounting, its history and types of accounting profession.</li> </ol>	<ol style="list-style-type: none"> <li>1. Syllabus</li> <li>2. Class rules</li> <li>3. Overview topics in the course.</li> <li>4. Definition, users and function of accounting</li> <li>5. The history of accounting</li> <li>6. Types of accounting and its profession</li> </ol>	<ol style="list-style-type: none"> <li>1. Lecture</li> <li>2. Discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. Short questions</li> <li>2. Discussions</li> </ol>	<ol style="list-style-type: none"> <li>1. Powerpoint of syllabus</li> <li>2. Powerpoint of Course rules</li> <li>3. Powerpoint of accounting history and accounting professions</li> <li>4. Homework</li> </ol>	<ol style="list-style-type: none"> <li>1. Syllabus</li> <li>2. Text books Ch 1 p 29-33</li> </ol>
2-3	<ol style="list-style-type: none"> <li>1. Know the types of business organizations.</li> <li>2. Understand accounting principles and its basic concepts.</li> <li>3. Know the types of financial reports</li> <li>4. Able to explain the definition of asset, liability, equity, revenue and expense.</li> <li>5. Know the business transactions</li> <li>6. Able to analyse correctly business transactions.</li> <li>7. Have a good understanding of financial reports</li> </ol>	<ol style="list-style-type: none"> <li>1. Students are able to explain and differentiate types of business organisations.</li> <li>2. Students are able to explain accounting principles and its basic concepts.</li> <li>3. Students are able to use accounting equation</li> <li>4. Students can differentiate assets, liability and equity.</li> <li>5. Students are able to tell the definition of asset, liability, equity, revenue and expense.</li> <li>6. Students can demonstrate correctly how to analyse business transactions.</li> <li>7. Students can differentiate income statement, statement of Owner's Equity, Balance Sheet and Statement of Cash Flows.</li> </ol>	<ol style="list-style-type: none"> <li>1. Types of business organisations.</li> <li>2. Accounting principles and basic concepts.</li> <li>3. Accounting equation</li> <li>4. Definition of asset, liability, equity, revenue and expense.</li> <li>5. Business transactions</li> <li>6. Financial reports</li> </ol>	<ol style="list-style-type: none"> <li>1. Lecture</li> <li>2. Discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. Discussions about accounting principles and its basic concepts.</li> <li>1. Simple questions of accounting equation.</li> <li>2. Discussion on how to analyse business transactions and financial statement</li> <li>2. Simple questions on analysis of business transaction</li> </ol>	<ol style="list-style-type: none"> <li>1. Powerpoint presentation</li> <li>2. Outline of discussion and sample questions</li> <li>3. Sample of balance sheet.</li> <li>4. Homework</li> </ol>	<ol style="list-style-type: none"> <li>1. Textbook Ch.1 pp.34-52.</li> <li>2. Accounting standard no 1.</li> </ol>
4	<ol style="list-style-type: none"> <li>1. Understand how to debit and credit transactions.</li> <li>2. Able to demonstrate how to record a transaction based on entry journal.</li> <li>3. Know how to post transaction to ledger, prepare trial balance, and charts of accounts.</li> </ol>	<ol style="list-style-type: none"> <li>1. Able to explain and classify account Menjelaskan klasifikasi akun dan saldo normalnya.</li> <li>2. Menjelaskan aturan pendebitan dan pengkreditan.</li> <li>3. Menjelaskan dan menyusun jurnal, <i>posting</i>, dan neraca saldo.</li> <li>4. Menjelaskan <i>charts of accounts</i>.</li> </ol>	Debit and credit <ol style="list-style-type: none"> <li>1. Account and its classification</li> <li>2. Double entry accounting</li> <li>3. Normal balance</li> <li>4. Rules in debiting and crediting</li> <li>5. Journal</li> <li>6. Posting</li> <li>7. Balance</li> <li>8. Charts of accounts</li> </ol>	<ol style="list-style-type: none"> <li>1. Lecture</li> <li>2. Discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. Questions</li> <li>2. Discussion of debit and credit of a transaction</li> <li>3. Discussion of charts of account</li> </ol>	<ol style="list-style-type: none"> <li>1. Powerpoint presentation</li> <li>2. Sample of financial statement</li> <li>3. Sample of Charts of Account</li> <li>4. Homework: Entry journal, posting and trial balance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Textbook Ch.2 pp. 91-109</li> <li>2. PSAK No.1 on financial statement</li> </ol>
5	<ol style="list-style-type: none"> <li>1. Understand accrual vs cash basis</li> </ol>	<ol style="list-style-type: none"> <li>1. Students are able to explain and differentiate cash and accrual basis.</li> </ol>	<ol style="list-style-type: none"> <li>1. Accrual basis vs cash basis</li> <li>2. Accounting period</li> <li>3. Matching concept</li> </ol>	<ol style="list-style-type: none"> <li>1. Lecture</li> <li>2. Discussion</li> </ol>	<ol style="list-style-type: none"> <li>1. Questions</li> <li>2. Discussions of accrual basis</li> </ol>	<ol style="list-style-type: none"> <li>1. Powerpoint presentation</li> <li>2. Sample of financial statements</li> </ol>	<ol style="list-style-type: none"> <li>1. Textbook Ch 3 pp.161-181</li> <li>2. PSAK No.1</li> </ol>

Week	Basic Competence	Indicator	Sub topics	Learning experience	Evaluation	Instruments	References
	2. Understand accounting period and matching concept. 3. Know how to make adjustment.	2. Students can explain accounting period and matching concept. 3. Students are able to explain and prepare adjustment entry.	4. Types of adjustment		3. Discussion of adjustments	3. Homework: adjustment entry.	3. PSAK No.16 on fix asset 4. PSAK No.17 on adjustment 5. PSAK No.23 on revenue
7	1. Understand adjusted trial balance. 2. Understand the completion of accounting cycle. 3. Understand worksheet and closing entries.	1. Students are able to prepare adjusted trial balance. 2. Students can explain the completion of accounting cycle. 3. Students can demonstrate how to prepare worksheet and closing entries.	1. Adjusted trial balance 2. Completion of accounting cycle. 3. Worksheet 4. Closing entries 5. Post-closing trial balance.	1. Lecture 2. Discussion	1. Questions 2. Discussion of completion of accounting cycle.	1. Powerpoint presentation 2. Sample of financial statement. 3. Homework: Completion of accounting cycle.	1. Textbook Ch 4 pp234-47. 2. PSAK No.1
8	<b>Mid-term Examination</b>						
9	Understand the accounting cycle for service company.	1. Students are able to work on the whole accounting cycle for service companies.	1. Accounting cycle for service companies.	1. Lecture 2. Discussion	1. Questions 2. Discussion	1. Class work: Working on a complete accounting cycle in service companies.	1. Textbook Ch4 2. PSAK No.1
10	1. Understand the characteristics of merchandising business. 2. Understand the concept of cost of goods sold. 3. Understand accounting system for inventory.	a. Students can explain the characteristics of merchandise business. b. Students are able to calculate cost of goods sold. c. Students can explain accounting system for inventory..	1. Characteristics of merchandise business 2. Operating cycle for merchandise business. 3. Cost of goods sold 4. Accounting system for inventory.	1. Lecture 2. Discussion	1. Questions 2. Discussion of cost of goods sold	1. Powerpoint presentation. 2. Sample of merchandise business financial statement. 3. Homework	1. Textbook Ch.5 hal.300-301 2. PSAK No.14 on inventory
11	Understand accounting for purchasing inventory based on perpetual method.	Students are able to use accounting for purchasing inventory based on perpetual method.	Accounting for purchasing inventory based on perpetual method.	1. Lecture 2. Discussion	1. Questions 2. Discussion on concepts of expense	1. Powerpoint presentation 2. Homework:	1. T. book Ch.5 pp..302-07. 2. SAK: Conceptual Framework 3. PSAK No.9 on short term liability.
12	1. Understand accounting for selling inventory based on perpetual method.	Students are able to use accounting for selling inventory based on perpetual method.	Accounting for selling inventory based on perpetual method.	1. Lecture 2. Discussion	1. Questions 2. Discussion on concept of expense.	1. Powerpoint presentation 2. Homework	1. Textbook Ch 5 pp 307-11. 2. SAK: Conceptual Framework. 3. PSAK No.23 on revenue
13	1. Understand how to make adjustment and closing for perpetual method. 2. Understand income statement for merchandise bus.	1. Students are able to use adjustment and closing for perpetual method. 2. Students can produce income statement for merchandise business.	1. Adjustment and closing entries for perpetual method. 2. Income statement by using single step and multiple step	1. Lecture 2. Discussion	1. Questions 2. Discussion on adjustment and closing entries	1. Powerpoint presentation 2. Sample of income statement based on <i>single step &amp; multiple step</i> 3. Homework:	1. Textbook Ch.5 hal 314-18.
14-15	Financial Statement Analysis	1. Students are able to analyse financial statement	1. Ratio analysis 2. Common size analysis 3. Cross section analysis	1. Lecture 2. Discussion	1. Question 2. Discussion on specific entries	1. Powerpoint presentation 2. S. of specific entries. 3. Homework	Textbook ch 15
16	<b>Final Examination</b>						

