



## **1 COURSE OUTLINE**

Course: Introduction to Accounting for Business Professionals

Contact Hours: 15 Contact Hours

Pre-requisite: None

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### **1.1 Abstract**

This Accounting introductory course exposes you to the basic financial statements, their format, content and general interpretation. Manage your cash position and prepare your own cash budget. Simultaneously, gain an understanding of cost characteristics, discerning between those costs which change with output levels and those which must be paid regardless of declining sales.

### **1.2 Target Audience**

### **1.3 Learning Outcomes**

- Differentiate between different types of accounting and their equally valuable roles
- Define accounting jargon
- Explore the basic Financial Statements of an entity
- Interpretation of Financial Statements
- Understand cost characteristics and their behaviours
- Appraise the budgeting process
- Prepare a cash budget
- Compute standard costs and variances

## 1.4 Topics Covered



### **Session 1- The What, Why and How of Accounting**

- Accounting definition
- Financial versus Management accounting
- Vested Interests of Users of accounting information
- Becoming accounting literate with basic terminology

### **Session 2- Basic Financial Statements and their intended purpose**

- Income Statement/Statement of Comprehensive Income
- Balance Sheet/Statement of Financial Position
- Statement of Cash Flows
- Exercise-Prepare a simple Income Statement and Balance Sheet

### **Session 3- Interpretation of Financial Statements**

- Profitability Ratios
- Liquidity Ratios
- Gearing Ratios
- Efficiency Ratios
- Investor Ratios
- Exercise- Spot the problem child

### **Session 4- Cost Characteristics and Behaviours**

- 5 Categories of Costs
- Calculation of Contribution and Breakeven point
- Special decision- making situations

### **Session 5- Budget Preparation**

- Types of Budgets
- Role of budgets and Budgeting Process
- Exercise- Preparing a Cash Budget

### **Session 6- Standard Costing and Variance Analysis**

- Standard Costing and its Purpose
- Need for a Flexible Budget
- Calculating cost variances
- Exercise- Why did the variance occur?