

## 19.0 ACCOUNTING AND CONTROL (180 HOURS)

### 19.01 INTRODUCTION

This module unit is intended to equip the trainee with the necessary knowledge; skills and attitudes that would enable him/her analyse and interpret financial costs data for purposes of decision making.

### 19.02 GENERAL OBJECTIVES

By the end of this module unit, the trainee should be able to:

- a) Appreciate the principles of accounting in making financial decisions
- b) Prepare simplified financial statements for different types of accounting entities
- c) Interpret financial information as contained in financial statements
- d) Classify costs and allocate various overhead costs
- e) Determine the cost of products and services

### 19.03 SUBJECT SUMMARY AND TIME ALLOCATION

CODE	TOPIC	SUB-TOPIC	THEORY (HRS)	PRACTICE (HRS)	TOTAL
19.3.1	INTRODUCTION TO ACCOUNTING	<ul style="list-style-type: none"><li>• Meaning of the term accounting</li><li>• Role of accounting in an organization</li><li>• Accounting principles, assumptions and concepts</li><li>• Users of accounting information</li><li>• Relevance of accounting to human resource management functions</li></ul>	12	6	18
19.3.2	RECORDING FINANCIAL TRANSACTIONS	<ul style="list-style-type: none"><li>• Financial transactions</li><li>• Role of accounting equation</li></ul>	12	6	18

		<ul style="list-style-type: none"> <li>• Double entry system</li> <li>• Preparation of journals</li> <li>• Preparation and balancing of ledger accounts</li> </ul>			
19.3.3	COMPLETING THE ACCOUNTING CYCLE	<ul style="list-style-type: none"> <li>• Preparation of a trial balance</li> <li>• Purpose of a trial balance</li> <li>• Year-end adjustments</li> <li>• Determination of accruals, provisions and prepayments</li> <li>• Treatment of accruals, provisions and prepayments</li> </ul>	12	6	18
19.3.4	FINANCIAL STATEMENTS	<ul style="list-style-type: none"> <li>• Preparation of trading, profit and loss accounts</li> <li>• Preparation of a balance sheet</li> <li>• Importance of trading profit and loss accounts and the balance sheets</li> </ul>	7	3	10
19.3.5	CASHBOOK	<ul style="list-style-type: none"> <li>• The role of cash book</li> <li>• The need for cash controls</li> <li>• Petty cash and imprest system</li> <li>• Distinction between cash book and bank statement balances</li> <li>• Making entries in cashbook</li> <li>• Preparation of bank</li> </ul>			

		reconciliation statements			
19.3.6	ERRORS IN ACCOUNTING RECORDS	<ul style="list-style-type: none"> <li>• Types of errors</li> <li>• Errors affecting the trial balance</li> <li>• Errors that do not affect the trial balance</li> <li>• Use of suspense account in error correction</li> <li>• Correcting net profit</li> </ul>	12	6	18
19.3.7	CONTROL ACCOUNT	<ul style="list-style-type: none"> <li>• The need for control accounts</li> <li>• Types of control accounts</li> </ul>	5	3	8
19.3.8	FINANCIAL STATEMENT ANALYSIS	<ul style="list-style-type: none"> <li>• Different types of financial ratios</li> <li>• Role of ratios in decision making</li> <li>• Need for funds flow statement</li> <li>• Need for cash flow statement</li> </ul>	9	5	14
19.3.9	NATURE AND PURPOSE OF COST ACCOUNTING	<ul style="list-style-type: none"> <li>• Characteristics of cost accounting</li> <li>• Purpose of cost accounting</li> <li>• Elements of costs</li> <li>• Classification of costs</li> </ul>	9	5	14
19.3.10	LABOUR COSTING	<ul style="list-style-type: none"> <li>• Ascertainment of labour costs</li> <li>• Classification of labour costs</li> <li>• Methods of remuneration</li> <li>• Payroll preparation</li> <li>• Treatment of overtime premiums and idle time for costing purposes</li> </ul>	9	5	14

19.3.12	PLANNING DECISIONS	<ul style="list-style-type: none"><li>• Concept of cash volume profit analysis</li><li>• Limitations of cash volume profit analysis</li><li>• Managerial costing</li></ul>	7	3	10
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