



**Department:** Finance and Banking

**College:** Administration & Economics

**University:** Salahaddin University - Erbil

**Subject:** Principle of Accounting I

**Stage:** First Stage- First Semester

**Lecturer Name:** Bnar Karim Darwish

**Academic Year:** 2023 – 2024

**Master Science in Accounting –Salahaddin University- Erbil**

## Course Book

. Subject Name	Accounting Principles in English
. Lecturer in charge	Bnar Kareem Darwish
. Department/ College	Accounting Department/ College of Economic & Administration
. Contact info	E-mail : <a href="mailto:bnar.darwish@su.edu.krd">bnar.darwish@su.edu.krd</a> Phone: +964-750-4859011
. Time (in hours) per week	3 x 3 = 9 hours
. Office hours	<b>Tuesday:</b> 8:30 AM – 2:30 PM
. Course code	
. Teacher's academic profile	2006 To 2010 College of Administration and Economics-University of Salahaddin-Erbil - BSc degree in Accounting 2013 To 2016 University of Salahaddin-Erbil - M.Sc. degree in Accounting.
. Keywords	Financing transaction, Capital transaction Purchasing & selling, General ledger, Trail balance, Income Statement, Balance sheet.

### 0. Course overview:

Primary areas of study include the theory of debits and credits, special journals, the accounting cycle, notes and interest, receivables and payables, accruals and deferrals, measurement and valuation of assets and liabilities, the determination of net income (profit) and the preparation and analysis of basic financial statements.

### 1. Course objective:

Accounting is the common language of organizations: businesses, not-for-profits, or governments. The basic principles of accounting provide a common ground for communication. The objective of this study year is to learn, understand and to apply those basic principles. In addition to specific accounting curriculum objectives identified in the book course outline such as (single entry theory, accounting equation, double entry theory, types of discount accounting cycle with preparing financial statement and etc....).

### 2. Student's obligation

The obligations may include following:

- Attending classes
- Reading reference materials
- Completing tests
- Completing Homework
- Assignments
- Exams
- Quiz

### 3. Forms of teaching

The main language of class is mixture of English & Kurdish language

The study does require students to read the textbook and do a lot of exercises available in the end of each chapter. It is expected that students will be an active discussant in every session and a lecturer explains briefly important stuffs that are related to discuss topic and raises relevant questions or issues and the quiz exams will be done in any time. Students will be randomly chosen to explain a selected reading topic. The lecturer use presentations to communicate the lecture objective to the students.

**4. Assessment scheme**

The marking will be divided as following:

30% for midterm exam.

10% for activities (Homework, quizzes, class activities)

60% for final exam.

The final Exam of Intermediate Accounting examination paper is three hours in duration. The examination paper is in two sections; section A covers explanation & evaluation of all topics covered in the syllabus, Section B will be a mathematical scenario such as accounting treatment. Section A of the exam essentially tests students understanding of concepts and theories from the syllabus, students will generally be expected to go deeper into the subject matter than that set out in the subject guide if they want to get a very good mark.

**5. Student learning outcome:**

By the end of module, and having completed the essential readings and activities, student will be able to

- explain why Accounting system exist explain why accounting need regulation (i.e. explain conceptual frame work)
- outline the structure of accounting systems (i.e. describe the three main three levels).
- explain the benefit of income statement, balance sheet, and cash flow. Explain how to value real assets and financial assets. Explain how to account for depreciation.

**6. Course Reading List and References:**

Please note that as long as student read the Essential reading they are then free to read around the subject area in any text, paper or online resource. Student will need to support their learning by reading as widely as possible and by thinking about how these principles apply in the real world.

Fundamental Accounting Principles, 20th edition by: Larson, Wild, Chiappetta.

Accounting Principles 9th edition by Weygandt, Kimmel and Kieso.

Accounting Principles 10th th edition by Weygandt, Kimmel and Kieso, 2011

Financial Accounting, Seventh Edition, by Walter T. Harrison, Jr. and charles T. Horngren, 2008.

Principles of accounting, 11th edition, by Needles,Powers and Crosson,2011.

**7. Course Topics**

<b>Weeks</b>	<b>Topics</b>
Week 1	Introduction to accounting
Week 2	Definition of accounting
Week 3	Types of accounting
Week 4	Types of accounting Week 4 - Users of accounting information
Week 5	Single entry theory
Week 6	Single entry theory
Week 7	Double Entry Theory: General journal and journal entries
Week 8	Midterm Exam
Week 11	Double Entry Theory: General journal and journal entries
Week 12	Double Entry Theory: Financing transaction
Week 13	Double Entry Theory: Financing transaction
Week 14	Double Entry Theory: Capital transaction
Week 15	Double Entry Theory: Capital transaction
Week 16	Preparing for final exam-first Trial

Week 17	Final Exam
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**18. Lecturer Remarks:** At the conclusion of every chapter a brief examination of approximately 5 multiple-choice, fill-in-the-blank and short essay questions will be given. Other notice is that the lectures it can be changed during the study year, depend on the circumstances

**19. Examinations:**

Salahaddin University/Erbil  
College of Administration &  
Economic  
Department of Finance and Banking  
First Stage



Subject: Principle of Accounting I  
Date/ / / 2021  
Time: 2 Hours

Final Exam-Second Trial  
2020 – 2021

Q1// The new business of Sandra started on 1-1-2020 with cash investment of \$900,000. She completed the following transactions.

- 3 Jan: She acquired a shop by paying \$66,000 as advance rent for a year.
- 4 Jan: Purchased furniture for shop \$64,000.
- 5 Jan: Purchased goods for cash \$350,000.
- 6 Jan: Sold goods for cash \$350,000.
- 7 Jan: Purchased goods on account from Samir \$150,000.
- 8 Jan: Sold goods on account to Bashir \$150,000.
- 9 Jan: Paid \$100,000 to Samir.
- 10 Jan: Received \$120,000 from Bashir
- 11 Jan: Paid salaries \$10,000.
- 12 Jan: Withdrew cash \$15,000 for personal use.

**Required//** 1- Journalize the above transactions.

2- Posting the Journal entries to their accounts in the Ledger. (25 marks)

Q2 // Feb. 2<sup>nd</sup>. We bought goods on credit from (Ahmad Store) worth 1600 \$ by terms of payment 2 / 10, 1 / 20, N / 30.

**And if you have the following cases:**

- 1-Ahmad store account is settled at Feb. 7<sup>th</sup> by cash (20 marks)
- 2-Ahmad store account is settled at Feb. 16<sup>th</sup> by cash
- 3-Ahmad store account is settled at Feb. 28<sup>th</sup> by cash

**Required// Journalize the above transactions.**

Q3// What is accounting cycle explain with diagram. (5 marks)

Q4// (Ahmed store) sold goods worth 2000 \$ by check to (Ali) with trade discount 10 % and 5 %.

**Required//** Journalize this transaction to both the buyer and seller records.

(10 marks)

Bnar Kareem Darwish  
Course Lecturer

Dr. Ameer S. Muhammed  
Head of Department

Typical Answers / Principle of Accounting- First Trial

Q1// Solution:

<b>Date</b>	<b>Particulars</b>	<b>P/R</b>	<b>Debit</b>	<b>Credit</b>
	Cash		900,000	
	Capital			600,000
	(To record the investment by owner in the business)			
Jan3	Prepaid shop rent		66,000	
	Cash			36,000
	(To record the rent paid in advance for shop)			
Jan4	Shop furniture		64,000	
	Cash			64,000
	(To record the furniture purchased for cash)			
Jan5	Purchases		35,000	
	Cash			350,000
	(To record the merchandise purchased for cash)			
Jan6	Cash		350,000	
	Sales			350,000
	(To record the merchandise sold for cash)			
Jan7	Purchases		150,000	
	Accounts payable (Mr. Zaid)			150,000
	(To record the goods purchased on account)			
Jan8	Accounts receivable (Mr. Obaid)		150,000	
	Sales			150,000
	(To record the goods sold on credit)			
Jan9	Accounts payable (Mr. Zaid)		100,000	
	Cash			100,000
	(To record the cash paid to supplier)			
Jan10	Cash		120,000	
	Accounts receivable (Mr. Obaid)			120,000
	(To record the cash received from customer)			
Jan11	Salaries expense		10,000	
	Cash			10,000
	(To record the salaries paid)			
Jan12	Drawings		15,000	
	Cash			15,000
	(To record the cash and goods withdrew by owner for personal use)			

Q2// Solution:

The entry of this transaction will be :

By Purchases	1600	
To Jwade (A/P)		1600

(Being bought goods from Jwade Store on credit terms 2/10, 1/20, N/30)

**And if you have these cases:****Case 1:** Jwade store account is settled at Feb. 7<sup>th</sup> by cash .

In this case the cash discount will be:

1600 x 2 % = 32 \$	cash discount
1600 - 32 = 1568 \$	net payment

And the entry will be:

By Jwade store	1600	
To sundries		
Cash		1568
Discount received		32
Or discount income		

(Being Jwade's store account is settled by cash and received a trade discount).

**Case 2 :**

Jwade store account is settled at Feb. 16<sup>th</sup> by check .

In this case the cash discount will be:

$1600 \times 1\% = 16 \$$  cash discount

$1600 - 16 = 1584 \$$  net payment.

And the entry will be:

By Jwade store	1600		
	<u>To sundries</u>		
	Cash in bank	1584	
	Discount received		16

(Being Jwade's store account is settled by check and received a trade discount).

**Case 3:**

Jwade store account is settled at Feb. 28<sup>th</sup> by check .

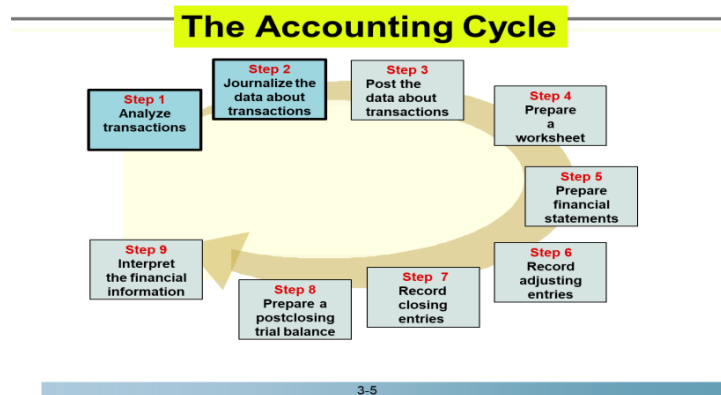
In this case and according to the terms of payment, we not received any discount and we must pay the full amount of the goods we bought.

And the entry will be:

By Jwade store	1600		
	To Cash in bank	1600	

(Being Jwade's store account is settled by check without cash discount)

**Q3// Solution:**



**Q4// solution:**

First trade discount =  $2000 \times 10\% = 200$

$2000 - 200 = 1800$

Second trade discount =  $1800 \times 5\% = 90$

The actual price =  $1800 - 90 = 1710 \$$

Buyer' record ( Ali )

By Purchases	1710
To Cash in bank	1710

(Being bought goods by check with tow trade discount 10% and 5 %)

Seller's record ( Ahmed )

By Cash in bank	1710
To Sales	1710

( Being sold goods by check with tow trade discount 10% and 5 % )

