NATIONAL UNIVERSITY



Syllabus

Subject: Accounting

Three Years B.B.S. Pass Course

Effective from the Session: 2013–2014

National University

Syllabus for 3 years B.B.S. Pass Course

Subject: Accounting

Session: 2013-2014

The Courses of Study for B.B.S. Pass in Accounting shall extend over a period of three academic years comprising six papers with marks as indicated below:

Paper Code	Paper	Paper Title	Marks	Credits
First year				
112501	Paper-I	Principles of Accounting	100	4
112503	Paper-II	Auditing	100	4
Second year				
122501	Paper-III	Intermediate Accounting	100	4
122503	Paper-IV	Taxation in Bangladesh	100	4
Third year				
132501	Paper-V	Advanced Accounting	100	4
132503	Paper-VI	Cost Accounting	100	4
		Total =	600	24

Detailed Syllabus

First Year

Paper Code	Paper	Paper Title	Marks	Credits
112501	Paper-I	Principles of Accounting	100	4

1. **Accounting – The Language of Business:** Definition and Scope of Accounting, Its role and Functions, History of Accounting, Purpose and Nature of Accounting Information-Users of Accounting Information. Branches of Accounting-Nature of Business and Accounting.
2. **Conceptual Framework for Financial Accounting:** FASB Conceptual Frame for Financial Accounting-First Level: Basic Objectives (SFAC- 1); Second Level: Qualitative Characteristics of Accounting Information (SFAC-2); Third Level: Operational Guidelines.
3. **The Accounting Process:** Double-Entry Accounting System. Accounting Equation – Effects of Transactions on the Accounting Equation. The Account-Classification of Accounts-Selection of Account titles-Chart of Accounts-Coding-Rules of Debit and Credit-Balancing and Normal

Balance-Recording (Bookkeeping). Aspect of Accounting Cycle: Documentary Evidence and Identification, Analysis and Recording of Transactions and Other Events-Journalization-Posting to the Ledger-Preparation of Trial Balance-Limitations of Trial Balance, Errors and their Rectification.

4. **The Adjustment Process and Completing the Accounting Cycle:** Key aspects of the Accrual basis accounting, Cash basis accounting Adjustments-Adjusted Trial Balance-Preparation of Work Sheet-Closing Entries-Post-Closing Trial Balance-Reversing Entries.

5. **Merchandising Operations and Accounting System:** Merchandising Operations and Classifying Inventory-Purchases, Sales, Other Use or Loss and Returns of Merchandise Inventory-Periodic and Perpetual Inventory Systems and Journal Entries-Specific Identification Method and Inventory Cost Flow Assumption (FIFO, LIFO and Average Cost).

6. **Accounting Systems and Special Ledgers:** Manual and Computerized Accounting Systems and their effectiveness-The Voucher System-General Ledgers and Subsidiary Ledgers: General Ledger Control Accounts and Subsidiary Ledger Individual Accounts. Special Journals: Advantages of Special Journals-Cash Receipts Journal-Sales Journals-Purchase Journal-Cash Payments Journal and General Journal.

7. **Control of Cash:** Controlling cash, Internal control. Petty Cash, Bank Reconciliation Statement.
8. **Accounting for Receivable Types:** Receivable-Types of Receivables valuing and disposing uncollectible accounts-Allowance for doubtful accounts.
9. **Financial Statements:** Idea on a Complete Set of Financial Statement. Purpose and interrelationship of the Financial Statement. Importance, Limitations & Preparation of Financial Statements. Supplementary Statements/Schedules. Preparation of Financial Statements for Sole-proprietorship Organizations.

10. **Financial Statement Analysis:** Ratio analysis-Basic Ratios of Liquidity, Activity, Profitability and Solvency.

Books Recommended : (Latest Edition)

1. Weygandt, Jerry J., Kimmel, Paul D. and Kieso Donald : *Accounting Principle ,* John Wiley & Sons. Inc.

2. Needles and Anderson : *Principles of Accounting*

Paper Code	Paper	Paper Title	Marks	Credits
112503	Paper-II	Auditing	100	4

1. **The Demand for Audit and Other Assurance Services:** Definition of auditing, Nature of Auditing, Distinction Between Auditing and Accounting, Economic Demand for Auditing, Assurance Services, Types of Audits and Auditors, objective of conducting and audit..
2. **The Auditing Profession:** Chartered Accountant (CA) Firms and their Activities, Structure of CA Firms, Role of BSEC in relation to auditing, BSEC's Corporate Governance Guidelines and Audit vs. Non-audit Activities, ICAB, US GAAS, International Standards on Auditing (ISA) and Bangladesh Standards on Auditing (BSA), Statutory Cost Audit.
3. **Audit Reports:** Parts of the Audit Report, Categories of Audit Reports, Report on Internal Control over Financial Reporting, Unqualified Audit Report with Explanatory Paragraph or Modified Wording, Conditions Requiring a Departure from Unqualified Opinion, Audit Reports other than Unqualified, Qualified Auditors' Reports (Qualified, Adverse and Disclaimer) and Auditors' Reports with emphasis on materiality.
4. **Legal Liability:** The legal environment of audit profession, Auditors' Liability to clients, Auditors' Liability to third parties under common law, Auditors' Civil liability, Auditors' Criminal liability, Profession's response to liability.
5. **Audit Evidence:** Definition of Evidence, Distinguishing among scientific, legal and audit evidence, Audit Evidence Decisions, Audit Program, Persuasiveness of Evidence, Types of Audit Evidence, Application of Types of evidence to the Evidence Decisions, Audit Documentation, Audit File Contents and Organization.
6. **Audit Planning and Analytical Procedures:** Steps in Planning an Audit and Designing an Audit Approach, Initial Audit Planning, Obtaining an Understanding with the Client, Developing Overall Audit Strategy, Understanding of the Client's Business and Industry, Assessment Client Business Risk, Preliminary Analytical Procedures.
7. **Audits of Internal Control and Control Risk:** Internal Control Objectives, Management's Responsibilities for Establishing Internal Control, Management's Assessment of Internal Controls, Auditor Responsibilities for Understanding Internal Control and Testing Internal Control, Components of Internal Control, Process for Understanding Internal Control and Assessing Control Risk, Obtain and Document of Understanding of Internal Control.
8. **Overall Audit Plan and Audit Program:** Audit Tests, Types of Audit Tests: Risk assessment procedures and Further audit procedures, Relationship Between

Further Audit Procedures and Evidence, Audit Assurance at Different Levels of Internal Control Effectiveness, Impact of Information Technology on Audit Testing, Audit Program.

9. **Completing the Audit:** Performing audit tests related to presentation and disclosure, Review for contingent liabilities, Post-balance-sheet review for subsequent events, issuing the Audit Report, Communicate with the audit committee and management.

Books Recommended:

1. Alvin A. Arens**,** Randal J. Elder and Mark S. Beasley : *Auditing and Assurance Services* (Latest Edition) Upper Saddle River, New Jersey: Prentice Hall
2. ICAB (Institute of Chartered Accountants of Bangladesh) : *Assurance–Study Manual*, CA Professional Stage Knowledge Level (Latest Edition). Dhaka: ICAB
3. ICAB : *Audit and Assurance–Study Manual* CA Professional Stage Application Level (Latest Edition). Dhaka: ICAB
4. Auditing : Khaja Amzad Sayeed

Second Year

Paper Code	Paper	Paper Title	Marks	Credits
122501	Paper-III	Intermediate Accounting	100	4

1. **Review of Accounting Process and Presentation of Financial Statements**
2. **Plant Assets, Natural Resources, and Intangible Assets:** Requirements under IAS 16 *Property, Plant and Equipment*, IAS 38 *Intangible Assets*, IFRS 6 *Exploration for and Evaluation of Mineral Resources* and IAS 36 *Impairment of Assets*. Acquisition and valuation of Plant Assets–The nature of Depreciation in Accounting–Cost allocation versus valuation, Depreciation and Cash Flows; Extension of Plant Assets and its effects on Depreciation. Depreciation Methods–Recording of depreciation; Disposition of Plant assets; Natural Resources–Acquisition cost, Depletion; Intangible Assets–Amortization of Intangibles;
3. **Accounting for Investments:** Requirements under IAS 40 *Investment Property*, IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments: Recognition and Measurement* Investment in Debt Security- Held-to- Maturity Securities, Available-for-sale Securities, Trading Securities. Investment in Equity Securities-Fair Value Method, Equity Method. Other reporting Issues-financial Statement Presentation, Impairment of value, transfers between Categories, Fair Value Controversy.
4. **Current Liabilities and Contingencies:** Different Types of Current Liabilities, Contingencies-Gain Contingencies-Loss Contingencies. Presentation of Current

Liabilities and Contingencies. IAS 37 Provisions, Contingent liabilities and Contingent Assets

5. **Accounting for Long Term Liabilities:** Bond: Nature, Recording at issue, Determining interest–Effective interest method, Zero-coupon bond, Bonds sold at premium or discount; Long-term Notes; Convertible Bonds; Other long-term liabilities; Requirements under IFRS 9 and IAS 39.
6. **Partnership Accounting:** Basic features of Partnership Accounting–Changes in Partnership structure: Admission & Retirement: Treatment of goodwill, revaluation of assets and liabilities.
7. **Preparation of Cash Flow Statement:** Purpose of Cash Flow Statement–Types of Cash Flows: Operating activities, Investing activities, and Financing activities–Preparation of Cash Flow Statement: Direct and Indirect methods–Analysis of Cash Flow Statement.
8. **Preparation of Value Added Statement:** Purpose and format–Preparation of value added statement.
9. **Accounting aspect of VAT:** Preparation of different statements (Purchase Account Book, Sales Account Book, Invoice Book and Account Current) under the VAT laws, Accounting Treatment of VAT at Purchase, Sales, Withholding, Treasury Deposit, Tax Credit and Tax Refund or Adjustment through Account Current.

Books Recommended :

1. KIESO, DONALD E., WEYGANDT JerryjJ.WARFIELD, Terry D. : *Intermediate Accounting,* IFRS Edition (2011), John Wiley & Sons, Inc.
2. GOB (Government of Bangladesh) : *Value Added Tax Act 1991 and Value Added Tax Rules 1991*

Paper Code	Paper	Paper Title	Marks	Credits
122503	Paper-IV	Taxation in Bangladesh	100	4

1. **Theory of Taxation:**

   Taxation–An Introduction: Public Finance and Tax as a Source of Public Revenue, Other Sources of Public Revenue vs. Taxation, Public Finance vs. Private Finance, Importance of Public Finance, Definition of Tax, Characteristics of Tax, Objectives of taxation, Principles of taxation, Characteristics of a Good Tax.

   Incidence of Taxes: Impact, Incidence and Effect of a Tax–Shifting of Tax Incidence–Demand and Supply Theory of Tax Shifting–Additional Factors Influencing Tax Shifting – General Effects of Taxation.

   Classification and Choice of Taxes: Classification Taxes (on the basis of: Number of taxes, Impact and incidence of taxes, Structure of tax-rates, Subject-matter of taxes, Elasticity of taxes, Classification of tax-bases, Increase or decrease in public revenue, Single-point vs. Multiple-point taxes, and Collector of taxes); Choice of Taxes between Proportional and Progressive taxes, Choice of Taxes between Direct and Indirect taxes; Tax Structure in Bangladesh

2. **Business Taxation–An Introduction:** Business Enterprises as a Taxpayer (Sole-proprietorship, Partnership, and Company), Pass-Through vs. Non-Pass-Through Entities, Legal Taxpayer vs. Real Taxpayer.

3. **Income Tax:**

3.01 **Introduction to Income Tax:** Income Tax–Meaning, Nature, Importance in respect of Contribution to Internal Resource Mobilization–Historical Perspective of the Income Tax Ordinance, 1984 – Statutory Definitions of Important Terms.

3.02 **Income Tax Authorities:** Administrative and Judicial Authorities–appointment, organization structure, power and functions–Taxes Appellate Tribunal–Registered Income Tax practitioner.

3.03 **Charge of Income Tax:** Basic Principles, Systems (Conventional Exemption Limit versus Filing Threshold)–Sources of Income Tax Laws.

3.04 **Computation of Total Income:** Types of Assesses–Scope of Total Income on the basis of Assessor's Residential Status–Income deemed to accrue or arise in Bangladesh–Deemed Income (unexplained investment etc.)–Non-Assessable Income–Income under Specific Heads (Salaries, Interest on Securities, Income from House Property, Agricultural Income, Income from Business or Profession, Share of Income from Firms, Income of Spouse or Minor Child, Capital Gains, Income from Other Sources, and Foreign Income)–Set-off and carry-forward of losses.

3.05 **Procedure of Assessment:** Filing of return of income and Supporting Statements and Documents. Assessment of Tax: Provisional Assessment, Assessment on correct return, Universal Self-Assessment, Spot Assessment, Assessment after hearing, Assessment on the basis of a Chartered Accountant's Report, Best-judgment Assessment, Presumptive Assessment–Other issues in assessment: Assessment in cases of discontinuation of or succession to business, Assessment for outgoing persons and deceased persons, Assessment of escaped income, Limitations for assessment–Tax audit. *Rates of Taxes:* Tax Rate on Capital gains and Income form winnings–Tax rate on other income of individuals, firms and companies–Tax Rate on non-resident's income, Imposition of Surcharge.

3.06 **Payment, Refund and Recovery:** Four ways of Tax payment: Tax deducted at source (TDS), Advance payment, Payment on the basis of return and payment on notice of demand, Tax Recovery–TDS as the Final discharge of tax liability (sec. 82C).

3.07 **Individual Assessment:** Assessment covering all heads of income excluding share of firm's income tax rebate on investment–Clubbing of Income. Tax rebate on Investment allounce.

3.08 **Corporate Taxation:** Definitions of Company and related terms–Determination of Total Income–Tax Rates and Tax Rebates.

3.09 **Appeals And References:** Appeal to Appellate Joint Commissioner of Taxes or Commissioner of Taxes (Appeals), Appeal to Taxes Appellate Tribunal, Reference to High Court Division and Appellate Division–Alternative Dispute Resolution (ADR).

4. **Other Taxes in Bangladesh:**

4.01 **Value-Added-Tax (VAT):** Important terms–Exempted Goods and Services–Output tax–Input Tax–Tax period–Taxable Goods–Invoice–Manufacturers–VAT Authorities. Imposition of VAT–Determination of Value for VAT–Methods and Time of VAT payment–Supplementary Duty–Turnover Tax–Tax Rebate–Registration of manufacturers Delegated powers–Appointment VAT officials-offence and penalties– Confiscation–Appeal-Revisions–Recovery of claims–Alternative Dispute Resolution.

4.02 **Customs Duty:** Nature–Scope and importance–Goods Dutiable–Goods Prohibited–Various Duties under the Customs Act–Rates of Duties–Tax Points and Valuation Bases for Customs Duty–Duty-Drawback and Exemptions–Pre-Shipment Inspection Authority –Assessment–Penalties and Offences–Customs Authority–Appeals and References–Alternative Dispute Resolution.

Books Recommended :

1. Bala, S.K. and Others : *Tax Laws with Professional Practice*
2. H.L. Bhatia : *Public Finance*, Vikas Publishing House Pvt. Ltd.
3. Nikshil Chandra Shil & Others : *Bangladesh Income Tax-Theory & Practice,* Shams Publications
4. GOB (Government of Bangladesh) : I*ncome Tax Manual, Part I–Income Tax Ordinance, 1984 and Income Tax Manual, Part II–Income Tax Rules, 1984*.
5. GOB : *Value Added Tax Act 1991 and Value Added Tax Rules 1991*
6. GOB : *Customs Act 1969*
7. GOB : *Finance Acts/ Ordinances*.
8. MCCI (Metropolitan Chamber of Commerce and Industry) : *Summary of Bangladesh Taxation Rules*.

Third Year

Paper Code	Paper	Paper Title	Marks	Credits
132501	Paper-V	Advanced Accounting	100	4

1. **Accounting for Stockholders' Equity:** The Corporate Form of Organization, Corporate Capital: Issuance of Share/stock, Reacquisition of Shares, Preferred Stock, Accounting for and Reporting Preferred Stock, Dividend Distributions, Stock Split, Presentation of Stockholders' Equity; Accounting for Share-based Payment (IFRS-2).
2. **Company's Financial Statements:** Provisions on Company's financial statements in the Companies Act 1994 and the Securities and Exchange Rules 1987; Frequency of Financial Reporting (Interim vs. Annual); Preparation of a complete set of Financial Statements of a company as per IAS 1.
3. **Accounting for Leases:** The Leasing Environment, Off–Balance-Sheet Financing, Conceptual Nature of a Lease; ***Accounting by the Lessee:*** Capitalization Criteria, Asset and Liability Accounted for Capital Lease Method, Operating Lease Method; Comparison of Capital Lease with Operating Lease; ***Accounting by the Lessor:*** Economics of Leasing, Classification of Leases by the Lessor, Direct-Financing Method, Operating Method; ***Special Accounting Problems:*** Residual Values, Sales-Type Leases (Lessor), Bargain-Purchase Option (Lessee), Initial Direct Costs (Lessor).
4. **Accounting for Banking Companies:** Preparation of Financial Statement of Banking Companies.
5. **Accounting for Insurance Companies:** Preparation of Financial Statement of Insurance Companies.
6. **Branch Accounting.**
7. **Accounting for Departmental Organization.**
8. **Accounting relating to Bankruptcy :** Bankruptcy of Individual, Partnership Firms and Company under the Bankruptcy Act 1997.

Books Recommended :

1. Donald E. Kieso, Jerry J. Weygandt : *Intermediate Accounting* (Hoboken, New

and Terry D. Warfield (2012) Jersey: John Wiley & Sons, Inc.) Latest edition.

2. IASB : *International Financial Reporting Standards* (Latest edition)

3. ICAB : *Financial Accounting Study Manual* (Professional Stage Application Level)

Paper Code	Paper	Paper Title	Marks	Credits
132503	Paper-VI	Cost Accounting	100	4

1. **Cost Accounting and Cost Accountant:** Cost Accounting: Definition, Differences with Financial Accounting, Management Accounting; Cost-Benefit Approach in Decision Making; Different Costs for Different Purposes, Organization Structure and the Cost Accountant; Cost Accounting as a Profession and Professional Ethics.

2. **An Introduction to Cost Terms and Purposes:** Costs and Cost Terminology–Direct Costs and Indirect Costs, Factors Affecting Direct/Indirect Cost Classifications; Cost-Behavior Patterns: Variable Costs and Fixed Costs, Cost Drivers, Relevant Range; Relationships of Types of Costs, Total Costs and Unit Costs; Types of Inventory in Manufacturing, Merchandising-, and Service-Sector Companies; Commonly Used Classifications of Manufacturing Costs (Inventoriable Costs and Period Costs); Prime Costs and Conversion Costs, Different Meanings of Product Costs; A Framework for Cost Accounting and Cost Management; Calculating the Cost of Products, Services and Other Cost Objects.

3. **Materials:** Direct and Indirect Materials, Procurements of Materials, Storage of Material. Materials Record, Methods of Valuing Material Issues, Planning Material Requirements, Stock levels, EOQ, Safety Stock, Materials Control, Stock Verification and Adjustment.

4. **Labor:** Measuring Labor Costs, Overtime Premium and Idle Time, Labor Cost Control, Method of Remuneration, Incentive Plans, Calculation of labor cost, Recording of labor cost.

5. **Overhead:** Planning and Control of Overhead, Predetermined Manufacturing Overhead, Methods of Determining Allocation Ratios, Applied Manufacturing Overhead, Over and Under Applied Manufacturing Overhead, Administrative, Selling and Distribution Overhead, Accounting for Overheads, Allocation of

support department cost: Direct method. Step down method and reciprocal method..

6. **Job Costing:** Building-Block Concepts of Costing Systems, Job-Costing and Process-Costing Systems, Job Costing: Evaluation and Implementation, Time Period Used to Compute Indirect-Cost Rates, Normal Costing and Actual Costing, Normal Job-Costing System in Manufacturing, General Ledger and Subsidiary Ledgers, Batch Costing and Contract Costing.
7. **Process Costing:** Process Costing, Physical Units and Equivalent Units, Calculation of Product Costs, Journal Entries; Weighted-Average (WA) Method and First-In, First-Out (FIFO) Method, Transferred-In Costs.
8. **Service Costing:** Accounting Systems of Transport Company, Educational Institute & Hospital.
9. **Contract Costing:** Percentage of completion method, Completed Method, Long Term Contract losses.

Books Recommended :

1. Charles T. Horngren, Srikant M. Datar Madhav V. Rajan : *Cost Accounting: A Managerial Emphasis* (Latest Edition). Upper Saddle River, New Jersey: Prentice Hall *Intermediate Accounting* (Hoboken, New
2. C. T. Horngren, G. L. Sundem, W. O. Stratton, J. Schatzberg, and D. Burgstahler : *Introduction to Management Accounting* (Latest Edition). Upper Saddle River, New Jersey: Prentice Hall
3. Ray H. Garrison, Eric W. Noreen, and Peter C. Brewer : *Managerial Accounting* (Latest Edition) Boston: McGraw-Hill & Irwin.