Open University *of* Mauritius
Foundation Course
Foundation Level Accounting-OUfc009

1. Introduction

In line with its philosophy to democratise access to university education, the Open University of Mauritius offers Foundation Courses. These courses aim at better preparing learners for higher education while allowing them to meet the minimum requirements to undertake undergraduate studies. They have been carefully developed by a team of experts to ensure smooth transition to university. They also motivate learners and give them a greater chance of succeeding. They play a pivotal role in helping learners to revisit lost skills, while giving them the necessary confidence and preparatory experience they need for success at university. However, they are not intended to replace secondary school courses. On successfully completing four foundation courses (8 modules) including English through Open Distance Learning (ODL), they can join degree programmes.

The ODL mode of delivery enables convenient self-study within a flexible framework. This mode of delivery allows learners to learn at their own pace, in their own place and time without disrupting their social, professional and domestic commitments hence, allowing them to earn while learning.

2. Aim

The aim of this foundation course is to provide learners with a basic knowledge and understanding of the underlying principles and concepts of Accounting. After completion of the course learners will be able to evaluate accounting policies and practices critically and analytically. The course will also enable leaners to pursue further studies in Accounting and related fields.

3. Course requirements

- SC/GCE O-level with 3 credits + 1 A-level
  (applicants should be less than 25 years of age)
- Mature candidates will be considered on their own merit.

4. Course Duration

Minimum	1	year
Maximum	2	years

5. Minimum credits required for the awards: 8 credits

Each credit in the University's system is equivalent to a minimum of 20 hours of study including all learning activities (i.e. interacting within the print material, listening to audio, watching video, attending tutorials/counseling sessions, writing assignment responses and preparation for the examinations). Thus, this 8-credit course involves a minimum of 160 hours of study.

6. Assessment

- Assignments 30%
- Examinations 70%
- Overall pass 40%

Assessments will be based on written examination of 2-hour duration and continuous assessment carrying a maximum of 30% of total marks. Continuous assessment will be based on assignment(s). For a learner to pass a module, an overall total of 40% for combined continuous assessment and written examination components would be required without minimum thresholds within the individual continuous assessment and written examination. Learners may re-sit up to a maximum of two failed modules for the semester of the programme.

7. Course structure

MODULE CODE	MODULE	Semester 1	Semester 2	Number of Credits
OUfc009111	Foundation in Accounting: Financial Accounting	√		4
OUfc009121	Foundation in Accounting: Cost Accounting		√	4

8. Modules Outline: Foundation in Accounting: Financial Accounting

OUfc009111-Financial Accounting:

Unit 1: Control Accounts

Preparation of control accounts from books of prime entry. Purposes, uses and limitations of preparing control accounts. Preparation of receivables control account and payables control account. Reconciliation of control accounts with individual ledger balances.

Offsetting balances in the receivables control account against balances in the payables control account (contra entries). Entries for bad debts (irrecoverable debts) recovered in the receivables control account. Items which are excluded from control accounts.

Unit 2: Depreciation of non-current assets

The causes of depreciation: Physical deterioration, economic factors, obsolescence and passage of time. The terminology used in accounting for depreciation: cost, useful asset life, residual (scrap) value and carrying value. Methods of depreciation: Straight line and reducing balance. Graphs for straight line and reducing balance method. Advantages and disadvantages of straight line and reducing balance.

The disposal of non-current assets: ledger accounting entries. Disposal account to calculate profit or loss. Schedule statement of non-current assets.

Unit 3: Accounting for Partnership

Introduction to partnership accounts. Advantages and disadvantages of partnership. Partnership agreement and explain circumstances in which the Partnership Act 1890 applies.

Changes in partnership: Admission and retirement or death of a partner. Sources, valuation and creation of goodwill. Accounting entries for goodwill including goodwill written off. Revaluation of assets and liabilities. Capital and current accounts including goodwill and revaluation of profit. Calculation of share of profit accurately. Preparation of partnership Income Statement, Appropriation Account and Statement of Financial Position. Interest on a partner's loan to the firm is an expense and is debited to the Income Statement.

Unit 4: Manufacturing Account

Distinguish between direct cost and indirect costs. Calculation of prime costs and cost of production. Calculation of factory profit and unrealised profit on inventory of finished goods.

Preparation of manufacturing account and income statement. Provision for unrealised profit account.

OUfc009121- Cost Accounting

Unit 5: Valuation of Inventory (IAS 2)

The calculation of the value of closing inventory using the FIFO and AVCO methods (perpetual and periodic). The importance of inventory valuation and the different characteristics of FIFO and AVCO. The effect of different methods of valuing inventory on profit and the valuation of inventory in the statement of financial position.

The principle of applying the lower of cost and net realisable value when valuing closing inventory.

Unit 6: Partnership Dissolution

Dissolution of partnership (excluding Garner v Murray Rule). Factors leading to dissolution of partnership. Preparation of realisation account, capital accounts and bank account.

Unit 7: Incomplete Records

Calculation of opening capital. Calculation of profit using accounting equation. Preparation of receivables and payables control account to calculate credit sales and credit purchases. Calculation of inventory destroyed and cash stolen using mark up and margin. Income statement and statement of financial position.

Unit 8: Non- Profit Making Organisation

Calculation of Accumulated Fund. Preparation of subscription account. Accounting treatment for Donation, Life membership fund and legacies. Netting off like items and calculation of bar profit, refreshment profit etc.

Difference between receipts and payments account and Income and Expenditure account. Preparation of Income and Expenditure account and Statement of financial position.

9. Supporting Materials

Manual	Open University of Mauritius
Video	OUM video programmes
References	Accounting text books

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