



BASICS OF ACCOUNTING

Credit points	4 CP		
Duration of the course	2 sem.		
Study course annotation	The study course provides theoretical knowledge and practical skills enabling to understand the importance of accounting, its goals and objectives in the operation of commercial organizations. The course covers basic principles and methods of accounting; accounting and analysis of economic assets and their sources, determination of the financial result of company's economic activity, preparation of financial statements.		
Aim of the study course	Give students an idea of the fundamentals of accounting, as well as the methods of developing and analyzing financial statements. Provide practical work skills in the field of accounting		
Study course results	Knowledge	Skills	Competence
	<ul style="list-style-type: none"> • know the meaning and requirements of accounting, • understand the objects of accounting and elements of the accounting method, • be aware of the principles, essence, composition, content and procedure of preparation of financial statements. 	<ul style="list-style-type: none"> • keep records of company's economic transactions in a double entry system; • classify assets and their sources according to the assets and liabilities of the balance sheet; • prepare a balance sheet, profit or loss statement; • systematise and analyse financial information; assess company's financial position 	<ul style="list-style-type: none"> • able to independently compile a balance sheet, profit or loss statement; • able to independently analyse financial statements and assess the financial position; • able to apply their knowledge in practical activities.
Study course content	Topics		
	1	Accounting, its meaning and tasks. Basic principles and techniques of accounting.	
	2	Classification and characteristics of economic assets: Long-term investments. Current assets.	
	3	Classification and description of financing sources of economic resources: Equity. Payables.	
	4	Laws and regulations governing accounting activities	
	5	Basic elements of accounting methods: documentation, inventory, evaluation, calculation.	
	6	The concept of an account, the structure of the account. Double entry and account correspondence. Operational accounts. Chart of accounts.	
	7	Balance sheet (Balance sheet structure. Assets. Liabilities. Equity. Provisions. Payables. Changes in balance sheet items. Business transactions.)	
	8	Accounting organization at the enterprises	
9	Accounting policy of the enterprises		
Form of assessment:	Differentiated written test		
Obligatory literature:	<ol style="list-style-type: none"> 1. Flesher, Dale L. Introduction to financial accounting.- Kent Publishing company, 1987. 2. Jay S. Rich; Jeff Jones. Cornerstones of Financial Accounting , 4th Edition. – Cengage Learning, 2018. 		



Additional reading:

1. On Accounting: Law of the Republic of Latvia [online]. Effective: 01.01.2022 with amendments
2. On the Annual Financial Statements and Consolidated Financial Statements: Law of the Republic of Latvia [online] Adopted: 22.10.2015. Effective: 01.01.2016 with amendments [accessed on 12.12.2019]
3. P. Atrill, E. McLaney Accounting and Finance for Non-specialists / Peter Atrill, Eddie McLaney. - 11th ed. - Harlow UK: Pearson, 2019. - 589 p.
4. Mott, Graham Accounting for non-Accountants. A manual for Managers and Students / Graham Mott. - 6th ed. - Kogan Page, 2005. - 344, [8] p.

Other sources of information:

Website of legal acts of the Republic of Latvia. Available at: [http:// www.likumi.lv](http://www.likumi.lv)

Website of the State Revenue Service. Available at: <http://www.vid.gov.lv>

Changes and additions to the program and literature list are possible during the study process