



**REPUBLIC OF KENYA**

**COMPETENCY-BASED MODULAR CURRICULUM**

**FOR**

**ACCOUNTANCY**

**KNQF LEVEL 6**

**(CYCLE 3)**

**PROGRAM CODE: 0411 551A**



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## **FUNDAMENTALS OF ACCOUNTING**

**UNIT CODE: 0411 551 07A**

**TVET CDACC UNIT CODE: BUS/CU/AC/CC/02/6/MA**

**Duration of Unit:** 130 hours

### **Relationship to Occupational Standards**

This unit addresses the unit of competency: Demonstrate Fundamentals of Accounting

### **Unit Description**

This unit specifies the competencies required to demonstrate fundamentals of accounting. It involves demonstrating understanding of accounting principles and policies, applying double entry concept, classifying capital and liabilities, correcting accounting errors and suspense account, preparing sole trader statement, preparing partnership statements and prepare company statements.

### **Summary of Learning Outcomes**

<b>S/NO</b>	<b>ELEMENTS</b>	<b>DURATION (HOURS)</b>
1	Demonstrate understanding of accounting principle	19
2	Apply double entry concept	18
3	Classify capital asset and liability	18
4	Correct accounting errors and suspense accounts	18
5	Prepare a sole trader statement	19
6	Prepare partnership statement	19
7	Prepare company statement	19
		<b>TOTAL 130 HOURS</b>

### Learning Outcomes, Content and Suggested Assessment Methods

Learning Outcome	Content	Suggested Assessment Methods
1. Demonstrate Understanding of accounting principles and policies	1.1 Nature and purpose of accounting 1.2 Objectives of accounting 1.3 Limitations of financial accounting 1.4 Users of accounting information and their information needs 1.5 Qualitative characteristics of accounting information 1.6 Accounting concepts/principles and conventions 1.7 Accounting standards and their importance 1.8 The accounting equation	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
2. Apply double entry concept	2.1 Source documents 2.2 Books of original entry 2.3 The double entry system and the ledger 2.4 The trial balance 2.5 Computerised accounting systems	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
3. Classify capital, assets and liabilities.	3.1 Capital and revenue expenditure 3.2 Accounting for cash and cash equivalents, bank reconciliation 3.3 Accrued and prepaid expenses 3.4 Accrued and prepaid income 3.5 Accounting for accounts receivables, bad debts and allowance for doubtful 3.6 Debts 3.7 Property, plant and equipment	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

	<p>depreciation, acquisition and disposal</p> <p>3.8 Accounting for Inventories-valuation using specific cost</p> <p>3.9 Methods</p> <p>3.10 Accounting for accounts payable including control account</p>	
4. Correct accounting errors and suspense account	<p>4.1 Meaning of terms</p> <p>4.2 Types of errors</p> <p>4.3 Functions of suspense account</p> <p>4.4 Correction of errors using the suspense account</p> <p>4.5 Statement of corrected net profit</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
5. Prepare sole trader statements	<p>5.1 Meaning of terms</p> <p>5.2 Characteristics of a sole trader</p> <p>5.3 Income statement</p> <p>5.4 Statement of financial position</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>
6. Prepare partnership statements	<p>6.1 Introduction to partnership</p> <p>6.2 Characteristics of partnership</p> <p>6.3 Types of partners</p> <p>6.4 Contents of a partnership agreement</p> <p>6.5 Distinction between current and capital accounts</p> <p>6.6 Appropriation statement and partners current and capital accounts</p>	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

	6.7 Statement of financial position and income statement (Excluding changes in partnerships)	
7. Prepare company accounts	7.1 Types of share capital 7.2 Types of reserves 7.3 Issue of shares (exclude issue by instalment and forfeiture) 7.4 Rights issues and bonus 7.5 Income tax -Accounting treatment and presentation (exclude computation) 7.6 Income statement 7.7 Statement of financial position 7.8 Emerging issues and trends	<ul style="list-style-type: none"> <li>• Practical assessment</li> <li>• Project</li> <li>• POE evaluation</li> <li>• Third party reports</li> <li>• Written tests</li> </ul>

### Suggested Delivery Methods

- Demonstration
- Practical work by trainee
- Fieldwork and benchmarking
- Group discussions
- Case studies
- Role plays

### List of Recommended Resources for 25 trainees

S/No.	Category/Item	Description/Specifications	Quantity	Recommended Ratio (Item: Trainee)
<b>A</b>	<b>Learning Materials</b>			
1.	Charts	• Flip Charts	5	1:6
<b>B</b>	<b>Learning Facilities &amp; Infrastructure</b>			

2.	Lecture/Theory Room	(9* 8 sq. metres)	1	1:30
3.	Internet Connection	WI-FI, Dial-Up, Cable, Fixed- wireless,	1	1:30
<b>C</b>	<b>Consumable Materials</b>			
4.	Markers	whiteboard markers and permanent markers	5	1:6
5.	Stationery	Printing Papers, Foolscaps	5 reams	1:6
6.	Files / folders		30	1:1
7.	Flash disks		5	1:6
<b>D</b>	<b>Tools And Equipment</b>			
8.	Computers/Laptops	Any model	30	1:1
9.	Projector	LED.LCD, Laser	1	1:30
10.	Whiteboard	Glass, melamine, porcelain	1	1:30
11.	Staplers		2	1:15
12.	Paper punch		2	1:15
13.	Metallic cabinet		1	1:30
14.	Scanner		2	1:15
15.	Printer		1	1:30
16.	Print toners		2	1:15
17.	Shredding machine		1	1:30

### Reference

Saleemi, N. A. (2011). *Financial accounting simplified* (East Africa ed.) N.A . Saleemi publishers.