



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Fundamentals of Accounting	

Academic staff	Core academic unit(s)
Coordinating: assoc. prof. Rūta Klimaitienė Other: –	Kaunas faculty Institute of Social Sciences and Applied Informatics

Study cycle	Type of the course unit
First cycle	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of instruction
In-class	2 nd semester	English

Requisites	
Prerequisites: Fundamentals of Finance	Co-requisites (if relevant): –

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	134	52	82

Purpose of the course unit		
<p>This course provides students with a foundational understanding of accounting as the language of business. It introduces the key principles, concepts, and methods used to record, summarize, and interpret financial information. The first half of the course focuses on Financial Accounting, where students learn how organizations measure performance and report results to external stakeholders such as investors, creditors, and regulators. Students will practice recording business transactions, preparing adjusting entries, and completing the major financial statements. The second half of the course focuses on Management Accounting, which supports internal decision-making. Students will learn how cost information is used to plan operations, evaluate performance, and improve profitability. Key tools such as budgeting, cost-volume-profit analysis, and variance analysis will be applied to real business scenarios. Throughout the course, attention is given to ethical considerations and the role of transparency in financial communication. Learning will be supported through problem-solving, case analysis, and group collaboration. By the end of the course, students will be able to use accounting information to understand business performance and support both strategic and operational decisions.</p>		
Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
Will be able to explain the purpose and significance of accounting as part of the business information system.	Lectures – to introduce core accounting concepts, principles, and theoretical foundations. Seminars – to deepen understanding through guided problem-solving and discussion. Case study analysis – applying accounting tools to real or simulated business situations to develop	Case study assessment – evaluates the ability to analyze a situation, apply theoretical knowledge in practice, and justify decisions. Group work assessment – evaluates collaboration, argumentation, and presentation skills.
Will be able to apply double-entry accounting principles to record transactions and prepare basic financial statements.		
Will be able to analyze accounting policies and interpret the financial performance of an organization.		
Will be able to evaluate cost structures and justify managerial decisions using budgeting.		

<p>Will be able to model alternative business scenarios and assess their financial implications.</p>	<p>interpretation and decision-making skills.</p> <p>Group work – collaboration on practical assignments to build communication and analytical skills.</p> <p>Independent study – reading, reviewing lecture material, and practicing calculations to reinforce knowledge.</p> <p>Discussion and reflection – examining alternative accounting treatments and evaluating their implications.</p> <p>Consultations with instructor – targeted feedback, clarification of questions, and guidance during assignment preparation.</p>	<p>Test – evaluates understanding of a specific part of the course material.</p> <p>Final examination – evaluates overall understanding of the course material and the ability to analyze and interpret accounting information.</p>
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Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	Contact hours, total	Individual work	Tasks for individual work
<p>1. The Concept and Purpose of Accounting. This topic examines why accounting is considered the foundation of business information. It explains the purpose of accounting, what types of decisions it supports, and who the main users of financial information are.</p>	2		2				4	6	Analysis of lecture materials, solving tests and practical exercises
<p>2. Fundamental Accounting Principles. All general accounting principles are analysed. The cash basis and accrual basis are compared, explaining why revenues and expenses are recorded not when cash is received or paid, but when they are earned or incurred.</p>	2		2				4	6	Analysis of lecture materials, solving tests and practical exercises
<p>3. The Accounting Equation and Key Concepts. The accounting equation (Assets = Equity + Liabilities) and its logic are introduced. The topic explores how different business transactions affect the elements of this equation. Core concepts such as assets, types of liabilities, and owner's equity are explained.</p>	2		4				6	6	Analysis of lecture materials, solving tests and practical exercises
<p>4. Double-Entry Accounting and Recording Business Transactions. Students will learn how each transaction is reflected through debit and credit entries. Various practical examples will be provided to demonstrate the systematic recording and accumulation of accounting</p>	2		4				6	6	Analysis of lecture materials, solving tests and practical exercises

information.									
5. Financial Statements: Balance Sheet, Income Statement, and Cash Flow Statement. The structure and purpose of each financial statement are presented. The interconnections among these statements are explained, along with how they can be used to assess a company's financial position and performance. Real examples from business practice will be analysed.	1		4				5	6	Analysis of lecture materials, solving tests and practical exercises
6. Inventory Accounting and Cost Determination. Students will examine the accounting for inventory acquisition and consumption. Different cost determination methods (FIFO, LIFO, and weighted average) will be compared, and the impact of method choice on profit results will be discussed. The relationship between inventory, expenses, and profitability will be analysed.	1		2				3	6	Analysis of lecture materials, solving tests and practical exercises
7. Long-Term Asset Accounting and Depreciation. The criteria for classifying assets as long-term and determining their value are discussed. Various depreciation methods and their impact on profit and the balance sheet are examined. Examples will illustrate how the nature of asset use influences depreciation policy.	1		2				3	6	Analysis of lecture materials, solving tests and practical exercises
8. Accounting for Liabilities (Short-Term and Long-Term) This topic analyses how liabilities to suppliers, banks, and other creditors are recorded. Provisions and their necessity for covering future obligations are discussed. The impact of liabilities on a company's financial stability is explained.	1		2				3	6	Analysis of lecture materials, solving tests and practical exercises
9. Cost Classification and Behaviour. The differences between fixed and variable costs, and between direct and indirect costs, are examined. The importance of understanding cost behaviour when planning business activities is explained. Examples from manufacturing and service sectors are discussed.	1		2				3	6	Analysis of lecture materials, solving tests and practical exercises
10. Product Costing. Different approaches for calculating the cost of goods sold and product cost will be analysed.	1		2				3	6	Analysis of lecture materials, solving tests and practical exercises
11. Master Budgeting and Decision-Making. The logic of preparing a master budget is presented. Sales, production, and cash flow budgets are developed. The topic explores how budgets help assess operational efficiency and support well-informed management decisions.	1		4				5	6	Analysis of lecture materials, solving tests and practical exercises
12. Developing Accounting Policies. The topic discusses accounting policies	1		2				3	6	Analysis of lecture materials,

from organizational, technical, and methodological perspectives. The influence of accounting policy choices on a company's financial results is analysed.									solving tests and practical exercises
13. Consultations		4						4	–
14. Preparing for the exam								10	Analysis of lecture materials, solving tests and practical exercises
Total	16	4	32					52	82

Assessment strategy	Weight %	Deadline	Assessment criteria
Practical tasks	40 %	During lectures and each seminar	<p>Practical assignments are an integral part of the course and are designed to reinforce theoretical knowledge through its application in real-life situations. The tasks are completed in class, as the goal is not only to acquire professional knowledge but also to develop the ability to collaborate, discuss, solve problems, and justify decisions as part of a team.</p> <p>Students work in groups of up to four, although some assignments will be completed individually – also during class time – to encourage active participation and independent thinking. Some larger and more complex assignments will be completed during lectures, allowing students to solve practical problems with the guidance and consultation of the instructor.</p> <p>In total, 12 practical assignments are scheduled throughout the semester, covering both financial and managerial accounting topics. Assignments may differ in scope and significance, therefore their weight in the final grade is not equal. Altogether, practical assignments account for 40% of the total course grade.</p> <p>Types of Assessment:</p> <ul style="list-style-type: none"> • Case Analysis Assessment – evaluates the ability to analyze a given situation, apply theoretical knowledge in practice, and justify proposed solutions. • Group Work Assessment – evaluates teamwork, reasoning, and presentation skills. <p>If a student is unable to attend lectures or seminars, practical assignments may be completed at another time agreed upon in advance with the instructor. Assignments cannot be completed without the instructor's supervision or consultation, as the purpose of these activities is not only to produce results but also to ensure active learning, discussion, and feedback.</p> <p>All assignment grades will be included in the overall final evaluation.</p>
Test	10%	Around the middle of the semester	<p>There will be 50 multiple-choice questions. The purpose of the test is to assess how well students understand the key course concepts and accounting principles, and how effectively they can apply them in practical situations.</p>

			<p>The results of the interim assessment will demonstrate the student's progress, ability to apply theoretical knowledge, and readiness for the final evaluation.</p> <p>The test results will be included in the overall final course grade.</p>
Exam*	50 %	During the examination session	<p>The final examination accounts for 50% of the total course grade. The exam will consist of open-ended questions and practical tasks of varying levels of difficulty – from understanding and application to analysis and evaluation.</p> <p>The examination will cover the entire course content, including both Financial Accounting and Management Accounting topics, as this course is comprehensive and highly interconnected. Therefore, the exam assesses not only knowledge of individual topics but also the ability to understand the overall accounting system and the relationships among its components.</p> <p>To have the grades from earlier activities (practical assignments and the test) included in the final course grade, the exam must be passed. This means that only students who successfully pass the final exam will have all cumulative semester points added. If the exam is not passed, the final course grade will be considered a fail, regardless of the interim results.</p>

*A student who (1) **throughout the semester consistently** fails to demonstrate **progress in achieving the expected learning outcomes of a subject (module)** during the practical classes (seminars, exercises, laboratory work, etc.) and (2) fails to complete all interim assessment requirements and tasks within the time specified in the course description, is not allowed to participate in the examination session.

Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
Required reading				
Lolita Paff	2021	Principles of Accounting. Volume 1. Financial Accounting	–	https://openstax.org/details/books/principles-financial-accounting
Lolita Paff	2021	Principles of Accounting. Volume 2. Managerial Accounting	–	https://openstax.org/details/books/principles-managerial-accounting
Recommended reading				
Harold Averkamp	2026	Free Accounting and Bookkeeping course	–	https://www.accountingcoach.com/outline
D. Annand and H. Dauderis	2024	Introduction to Managerial Accounting	–	https://collection.bccampus.ca/textbooks/introduction-to-financial-accounting-2024-a-d-vretta-lyryx-inc-445/
P. Atrill and E. McLaney	2022	Accounting and Finance for Non-Specialists	12th Edition	Pearson Prentice Hall

