

Module Six

The Accounting System

Session Guide

Session 4 The Accounting System

Objectives:

At the end of the session, the participants will be able to:

1. Explain the phases and functions of Accounting and identify which function can be performed by the Coordinators and Collectors;
2. Differentiate the cash basis of accounting from the accrual basis, and single-entry bookkeeping from the double-entry method; and
3. Assess which system is applicable to the Coordinators and Collectors; and
4. Identify the kinds of account books and the data entered into them.

Equipment / Materials Needed:

1. Manila Paper
2. Permanent Markers
3. Format of Books of Accounts

Duration: 1 Hour

Duration	Trainer	Learners
15 min	<p>Phases and Functions of Accounting: Lecture on the phases and functions of Accounting by referring to the Accounting Framework. Generate comments from participants about which functions are do-able at the coordinator and collector level.</p>	Identify which phases or functions can be performed by the coordinators and collectors.
15 min	<p>Methods of Accounting and Recording System Accounting Equation Lecture on Cash Basis and Accrual Method of Accounting; Single-entry and Double-Entry Recording Systems Solicit suggestions from participants about which systems are applicable at different levels</p>	Identify which systems are applicable to the coordinators and collectors.
25 min	<p>Books of Accounts Present the Accounting Framework again and identify the recommended account books for each level. Discuss how to record financial transactions in the recommended books. Discuss the advantages and disadvantages of each in relation to the preparation of financial statements. Suggest criteria on the applicability of sets of books of accounts. Solicit suggestions from participants about which books of accounts and formats are applicable to coordinators and collectors.</p>	Come up with criteria with which to decide between the single-entry method / cash basis or the modified double-entry method / accrual basis.
5 min	<p>Case Studies: Briefly discuss the two sets of case studies that will be the basis of the next workshop on recording of financial transactions.</p>	Ask for comments and clarifications on the case studies.