



Undergraduate programmes

Syllabus

Financial Management 1

Module Code: FM101
Credits: 20
IMM GSM Year Level: 1
NQF Level: 5
Nature: Fundamental
Status: Undergraduate

Module Specific Outcomes

To develop financial literacy on a theoretical and practical level, by:

- Explaining accounting concepts and terminology.
- Determining selling price of merchandise.
- Classifying costs into various categories,
- Demonstrating knowledge of concepts related to materials management.
- Demonstrating knowledge of concepts related to labour, overheads and job costing.
- Demonstrating an understanding of budgets and budgetary control.

Description of Units

Unit	Description	Learning Outcomes
1	Explain accounting concepts and terminology	Define the purpose and users of accounting. Classify items as assets, liabilities or owner's equity. Show the effect of various transactions on the basic accounting equation. Describe the accounting cycle. Explain what year-end adjustments are and its impact on the financial statements. Read an income statement and balance sheet.
2	Determine selling price of merchandise	Calculate cost of sales. Explain VAT concepts and calculate VAT. Calculate mark-ups on cost price and selling price. Calculate selling price (inclusive and exclusive of VAT).
3	Classify costs into various categories	Classify cost in relation to product or period. Classify behaviour of cost in relation to volume of production. Classify cost for control or evaluation. Classify relevant and non-relevant costs for decision making.
4	Demonstrate knowledge of concepts related to materials management	Distinguish between direct and indirect materials. Describe stock control concepts, calculate stock levels and EOQ. Describe stock valuation methods and calculate the value of closing inventories using FIFO and the weighted average method.
5	Demonstrate knowledge of concepts related to labour, overheads and job costing	Distinguish between direct and indirect labour. Identify overhead costs. Calculate the cost of a product or a job. Distinguish between marginal and absorption costing.
6	Demonstrate an understanding of budgets and budgetary control	Describe components of an operational budget. Draft operational, flexible and cash budgets. Calculate and interpret sales variances.