

# **LEGAL ACCOUNTING**

## **Students' guide and Course outline**

**2016**

**Lecturer: MRS A. WAGENAAR**

### **1. INTRODUCTION**

#### **1.1 Overview**

Legal Accounting is a single semester course aimed at providing students with a working, theoretical and practical knowledge of general principles of accounting with special emphasis on Trust Accounts. This course prepares the student who wishes to take the attorney's examination.

The purpose of the course is to provide students with a basic knowledge and understanding of the variety of transactions essential to complete an adequate set of books and to design a plan of accounts to suit the needs of a legal enterprise.

The course is an elective in their final year of studies.

#### **1.2 Credit Value**

This course has a credit value of 30. Students will be expected to spend at least 300 hours of study time on this course, although extra time is recommended and encouraged. This includes time spent in lectures.

#### **1.3 Assumptions of Prior Learning**

This module has been designed on the assumption that students have prior knowledge of basic business documentation and procedures, i.e. invoices, receipts, bank statements etc. As the course is practically founded, students are required to be proficient in the use of financial calculators.

### **2. OUTCOMES**

#### **2.1 Critical Cross-Field Outcomes**

Students will be able to:

- a) Identify and solve problems
- b) Collect, analyse and evaluate information
- c) Communicate effectively
- d) Recognize problem solving contexts
- e) Explore education and career opportunities
- f) Develop entrepreneurial opportunities

## **2.2 Specific Intended Outcomes**

On completion of this course students will be able to:

- Prepare a set of Annual Financial Statements
- Compute and account for VAT
- Account for moneys received on behalf of clients to be held in trust for them.
- Compute and account for income (fees) and expenses (disbursements)
- Compute and account for interest received to be paid over tot the Attorneys Fidelity Fund
- Compute and account for conveyance fees

## **3. TEACHING METHODS**

The course will consist of two 45 – minute lectures per week. In addition, students will write a class test. A 2-hour examination will be sat at the end of the semester.

## **4. COURSE/MODULE CONTENT**

Basic principles of double entry accounting.

The accounting cycle which refers to the process by which transactions are finally recorded.

Year-end adjustments, the income statement and balance sheet.

Use of a transfer journal to transfer amounts from trust accounts to business accounts.

Internal and cash controls including bank reconciliation statements.

A study of value added tax as it applies to legal practices.

Legislation and law society rules especially as they apply to accounting requirements, investment practice and maintenance of trust accounts.

Transactions with correspondents.

The accounting requirements of conveyance transactions.

Forms of enterprise including partnership and company financial statements.

## **4. RESOURCES**

The reference texts used in this course are as follows:

S Kalideen, L Sullivan, (2008). Accounting for Law Students & Practitioners, Juta, Cape Town.

## 5. STUDENT ASSESSMENT

*Assessment criteria should be specified for each learning outcome. It is useful to think of assessment criteria as WHAT you need to see in order to be sure that students can meet the specified outcomes. Assessment tasks refer to HOW the evidence will be collected.*

Specific Outcomes	Assessment Criteria	Assessment Tasks
Prepare a set of Annual Financial Statements	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions from past exam papers</li> </ul>
Compute and account for VAT	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions from past exam papers</li> </ul>
<ul style="list-style-type: none"> <li>Account for moneys received on behalf of clients to be held in trust for them.</li> </ul>	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions from past exam papers</li> <li>Class discussion</li> </ul>
Compute and account for income (fees) and expenses (disbursements)	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions from past exam papers</li> <li>Class discussion</li> </ul>
<ul style="list-style-type: none"> <li>Compute and account for interest received to be paid over to the Attorneys Fidelity Fund</li> </ul>	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions from past exam papers</li> <li>Class discussion</li> </ul>
<ul style="list-style-type: none"> <li>Compute and account for conveyance fees</li> </ul>	<ul style="list-style-type: none"> <li>Tutorial questions and practical examples</li> <li>Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>Submit answers to tutorial and test questions</li> <li>Submission of solutions to questions</li> </ul>

		from past exam papers • Class discussion
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Students' final mark will be weighed as follows:

Test	25%
June examination	<u>75%</u>
	<b><u>100%</u></b>

## 6. EVALUATION

The course will be evaluated by peer evaluation and correspondence with the class. This will give the lecturer insight as to how the course can be improved. Students and peers will also have the opportunity to give feedback on how the course was structured and how the teaching styles and presentation techniques could be altered to improve the structure of the course and its delivery. Thus it is hoped that not only will the students be benefiting from the evaluation process, but also the lecturer will be in a position to improve his/her teaching ability.

HEQC audits are evidence based. Once the template has been completed, it is necessary to collect evidence to substantiate the claims made. This evidence could be collected in a box file and could include, for example, course guides, lecture notes, assessment tasks (including some marked examples), student evaluations or evaluation analysis. Any action resulting from evaluation could also be noted.