



**COURSE: LEGAL ACCOUNTING**

**YEAR: 2024**

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## **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 admission examination on bookkeeping.

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 little to no prior exposure to financial accounting. Proficiency in basic arithmetic is assumed, as well as students ability to use a calculator.

## **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] Identify threats to ethical behaviour

## **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 to the Legal Practitioners Fidelity Fund.
- Compute and account for conveyance fees
- Be able to evaluate a set of financial statements
- Undertake basic audit preparation.

## **3. NATURE OF CONTACT SESSIONS**

### **4.**

The course will consist of two 45 minute lectures per week. In addition, students will write two class tests worth 15% each. A two-hour examination will be sat at the end of the semester with a weighting of 70%.

The test has a weighting of

## **5. 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.
- Basic Financial Statement Analysis
- Prepare for an audit of the practice's accounting records.
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## 5. PRESCRIBED TEXTBOOK

The reference texts used in this course are as follows:

G Admans, S de Lange and A Storm *et al Accounting for Attorneys* 3 ed (2019) Lexis Nexis: Durban

### LECTURE SCHEDULE

Week	Topics	Chapter
1 (12 & 15 February)	1. The nature and function of accounting 2. Accounting terms and concepts 3. Basic accounting equation	1 – 3
2 (19 & 22 February)	4. Accounting system 5. Value-Added-Tax 6. Books of prime entry	4– 6
3 (26 & 29 February)	8. Ledger 9. Control accounts	8 – 9
4 (4 & 7 March)	10. Adjustments of accounts 11. Closing-off process & preparation of financial statements	10 -11
5 (11 & 14 March)	7. Cash controls and bank reconciliation procedures	7
<b>14 March TEST 18:00 – 19:00 (Venue TBA)</b>		
6 (18 March)	12. Trust investment	12
7 (25 March)	13. Transfer procedure	13
8 (8 & 11 April)	14. Correspondence accounts	14
9 (15 & 18 April)	15. Conveyancing transactions	15
10 (22 & 25 April)	16. Partnerships & Companies	16 & 17
11 (29 April & 2 May)	17. Basic Financial Statement Analysis	Class notes
12 (6 & 9 May)	18. Preparing for an audit	Class notes
<b>9 May TEST 18:00 – 19:00 (Venue TBA)</b>		
13 (13 & 16 May)	Revision / Exam Q&A	