



SUBJECT: Accounting

Key Stage 5 Curriculum Content

	<u>Year 12</u>	<u>Year 13</u>
<u>HT1</u>	<p><u>An introduction to the role of the accountant in business</u></p> <ul style="list-style-type: none"> • Responsibilities of the accountant • Difference between financial accounting and management accounting • The purpose of both types of accounting • The role of the accountant with information systems <p><u>Types of business organisations</u></p> <ul style="list-style-type: none"> • Sole Trader • Limited Companies (both public and private) • Partnerships • The benefits and risks of business reporting • The impact of business reporting on the business • Sources of finance • Evaluating risks of sources of finance 	<p><u>Standard Costing and Variance Analysis</u></p> <ul style="list-style-type: none"> • Purpose of standardising cost approaches • Advantage and disadvantage of standard costing systems • Calculations and interpretations of variances in material, labour, sales • Interrelationship between variances • Reconciliation of budgeted vs. actual <p><u>Absorption and activity based costing</u></p> <ul style="list-style-type: none"> • Allocation apportionment • Under absorption • Over absorption • Use of ABC costing • Benefits and limitations of ABC costing

<p><u>HT2</u></p>	<p><u>The double entry model</u></p> <ul style="list-style-type: none"> ● Producing Source Documents <p>Purchase invoices, sales invoices, credit notes, cheque counterfoils, till rolls, cash receipts, paying in slips, bank statements</p> <ul style="list-style-type: none"> ● Creating and completing books of prime entry <p>Purchases journal, sales journal, sales returns journal, purchases returns journal, general journal, three column cash book.</p> <ul style="list-style-type: none"> ● The recording of adjustments in ledger accounts and financial statements. <p>Accruals, prepayments, income due, income received in advance, provisions for doubtful debts , depreciation charges, disposal of non-current assets , opening and closing inventory.</p> <ul style="list-style-type: none"> ● Prepare income statements (trading and profit and loss accounts) and statements of financial position (balance sheets) working from trial balances and additional information. ● Calculating Depreciation using two methods; <ul style="list-style-type: none"> ● straight line method ● reducing balance method. ● Make entries for simple adjustments 	<p><u>Capital Investment Appraisal</u></p> <ul style="list-style-type: none"> ● Cash flows ● Payback periods ● Net Present Values ● Benefits and limitations of the payback and net present value methods ● Use of capital appraisal and evaluation projects ● Accounting for Organisations with incomplete records ● Statement of affairs, calculating profit from insufficient record keeping ● Benefits and limitations of maintaining accounting records
<p><u>HT3</u></p>	<p><u>Verification of the accounting process</u></p> <ul style="list-style-type: none"> ● Trial balance, bank reconciliation statements, sales ledger control accounts, purchases ledger control accounts. ● Correcting errors includes the use of the general journal and suspense account. Errors could include those revealed by a trial balance as well as those that are not revealed ● Corrected Net Profit ● Benefits and limitations of verification techniques. 	<p><u>Partnership Accounts</u></p> <ul style="list-style-type: none"> ● Income statement, appropriation account, ● Statement of financial position ● Calculating the interest on capital, interest on drawings, partnership salaries, interest on partner loans ● Partnership act 1890 ● Prepare capital and current accounts of partners ● Account for changes in partnership

<p>HT4</p>	<p><u>Accounting concepts used in the preparation of accounting records statements of sole traders</u></p> <ul style="list-style-type: none"> • The general accounting concepts, their meaning and their application to accounts <p>money measurement, duality, cost, going concern, accruals, consistency, prudence, materiality, realisation, business entity</p> <ul style="list-style-type: none"> • The calculation implementation of accounting concepts to a variety of situations e.g. Valuation of stock <p><u>Preparation of financial Statements of Sole Traders</u></p> <ul style="list-style-type: none"> • Applying the concepts to prepare income statements (trading and profit and loss accounts) and statements of financial position (balance sheets) and ledger accounts. • Preparing income statements and statements of financial position from the ledger accounts • Preparing income statements and statements of financial position from trial balances and additional information 	<p><u>Accounting for Limited Companies</u></p> <ul style="list-style-type: none"> • Statements of cash flow, schedule of non-current assets • Accounting for revaluation of non-current assets • The difference between the issue of shares (rights share and bonus share) And recording such in the financial statements • The reasons for publishing accounts • Benefits and limitations • IAS1 / IAS7 • Purpose and importance of international accounting standards • Companies Act <p><u>Interpretation. Analysis and communication of accounting Information</u></p> <ul style="list-style-type: none"> • Calculate and interpret accounts using ratio analysis • Assess business performance in comparison to competitors • Difference between cash and profits • Limitations of Financial statements • The interest of stakeholders • Importance of effective communication • The impact advantages and disadvantages to recording data • Critical assessment of recommendations and their impacts
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<p><u>HT5</u></p>	<p><u>Limited company accounts</u></p> <ul style="list-style-type: none"> ● Prepare the Statement of changes in equity ● Prepare the Statement of financial position <p><u>Analysis and evaluation of financial information</u></p> <ul style="list-style-type: none"> ● Interpret Accounts through the calculation and completion of ratio analysis ● Assess business performance based on the ratio calculations ● Explain the difference between cash and profits ● Evaluate the limitations of Financial statements 	<p><u>The Impact of Ethical considerations</u></p> <ul style="list-style-type: none"> ● Evaluate the 5 principles of accounting; Integrity, objectivity, professional competence and due care, confidentiality, professional behaviour. ● The role of accountant, auditors, board of directors, ● Corporate social responsibility ● legal and regulatory frameworks which relate to the accounting sector ● Professional bodies involved are: <ul style="list-style-type: none"> • Consultative Committee of Accountancy Bodies (CCAB) • Chartered Institute of Management Accountants (CIMA). ● Principles of ethical behaviour
<p><u>HT6</u></p>	<p><u>Budgeting/ Marginal Costing</u></p> <ul style="list-style-type: none"> ● Purpose of budgeting ● Benefits and limitations of budgeting ● Categorisation of costs ● Calculation of break-even point, interpreting break even charts, assessing the uses and limitations of break-even analysis 	<p><i>Revision of entire spec.</i></p>