

# Introduction

Welcome to your 'A' level Accounting course. This Introduction should provide you with all the information you need to make a successful start to your studies.

## The Specification (or Syllabus)

This course has been designed to give you a full and thorough preparation for the AS level or A level Accounting specification, set by the Assessment and Qualifications Alliance (AQA).

The **Subject Code** for entry to the AS only award is **5121**.

The **Subject Code** for entry to the A level award is **6121**.

## Private Candidates

The AQA specification is open to private candidates. Private candidates should contact AQA for a copy of *'Information for Private Candidates'*.



## Arrangement of Lessons

<b>Part One: AS level Course</b>		
<b>Module 1: The Accounting Information System</b>		
Lesson	Title	Textbook
1	Introduction and Overview	<i>Business Accounting I</i> , ch. 1
2	Accounting Records	<i>Business Accounting I</i> , chs. 2-5, 11, 13-18
3	Recording VAT <b>TMA A</b>	<i>Business Accounting I</i> , ch. 19
4	Verification of Accounting Records	<i>Business Accounting I</i> , chs. 6, 29-33
5	Trading and Profit Loss Accounts and Balance Sheets	<i>Business Accounting I</i> , chs. 7-8
6	The Use of Computers in Accounting <b>TMA B</b>	<i>Business Accounting I</i> , ch. 22-23
<b>Module 2: Introduction to Published Accounts of Limited Companies</b>		
Lesson	Title	Textbook
7	The Trial Balance	<i>Business Accounting I</i> , chs. 6, 17, 32
8	Preparing Company Accounts <b>TMA C</b>	<i>Business Accounting I</i> , ch. 45
9	Published Company Accounts	<i>Business Accounting I</i> , ch. 45
10	Corporate Report Requirements <b>TMA D</b>	<i>Business Accounting I</i> , chs. 45, 47
<b>Module 3: Financial Accounting: Determination of Income</b>		
Lesson	Title	Textbook
11	Accounting Principles, Concepts and Conventions	<i>Business Accounting I</i> , ch. 10
12	Final Accounts and Balance Sheets	<i>Business Accounting I</i> , chs. 7-9, 24-27
13	Stock Valuation <b>TMA E</b>	<i>Business Accounting I</i> , ch. 29
14	Manufacturing Accounts	<i>Business Accounting I</i> , ch. 37
15	Limited Liability	<i>Business Accounting I</i> , ch. 45
16	Internal Final Accounts <b>TMA F</b>	<i>Business Accounting I</i> , ch. 45
<b>Module 4: Introduction to Accounting for Management and Decision-making</b>		
Lesson	Title	Textbook
17	Ratio Analysis	<i>Business Accounting I</i> , ch. 47
18	Types of Costs	'A' level Accounting, ch. 1
19	Break-even Analysis <b>TMA G</b>	'A' level Accounting, ch. 30
20	Budgeting and Budgetary Control	'A' level Accounting, chs. 6-8
21	Social Accounting <b>TMA H</b>	'A' level Accounting, ch. 13

## Part Two: A2 Course

### Module 5: Further Aspects of Financial Accounting

Lesson	Title	Textbook
22	Incomplete Records	'A' level Accounting, ch. 23
23	Non-Profit-making Organisations	'A' level Accounting, ch. 24
24	Partnership Accounts <b>TMA I</b>	'A' level Accounting, chs. 25-27
25	Valuation of Assets	'A' level Accounting, ch. 29
26	Types of Business Organisation and Sources of Finance <b>TMA J</b>	-

### Module 6: Published Accounts of Limited Companies and Accounting Standards

Lesson	Title	Textbook
27	Published Accounts and User Groups	'A' level Accounting, chs. 15-16
28	Rights Issues; Bonus Issues	'A' level Accounting, ch. 19
29	Published Accounts and Ratio Analysis <b>TMA K</b>	'A' level Accounting, ch. 22
30	Cash Flow Statements	'A' level Accounting, ch. 18
31	Accounting Standards	'A' level Accounting, ch. 21
32	Limitations of Published Accounts <b>TMA L</b>	'A' level Accounting, ch. 22

### Module 7: Further Aspects of Accounting for Management and Decision-making

Lesson	Title	Textbook
33	Absorption and Marginal Costing	'A' level Accounting, ch. 2
34	Standard Costing and Variance Analysis	'A' level Accounting, chs. 9-11
35	Capital Investment Appraisal <b>TMA M</b>	'A' level Accounting, ch. 12

## Textbooks

The following textbooks are recommended for use with this course:

Frank Wood & Alan Sangster: *Business Accounting*, Vol. I ....FT Prentice Hall 9th edn (ISBN: 0-273-65552-3).

AND

Frank Wood & Alan Sangster: *'A' level Accounting...*FT Prentice Hall 3<sup>rd</sup> edn (ISBN: 0-582-47740-9).

Wood's books are thorough textbooks and frequently revised. Reading references to *Business Accounting*, Vol. I, are based on the 9th edition, first released in 2002. *'A' level Accounting* is a better

accompaniment to the second half of this course than *Business Accounting*, Vol. II. It contains several chapters designed to prepare candidates for the more modern specifications requiring an outline knowledge of interpretation, discounting techniques, budgetary control and costing. Wood's style is simple and clear. The two volumes cover the specification requirements of a wide range of examinations: the 'A' Level as well as most professional examinations at the Intermediate level.

## Supplementary Reading

No single textbook is really sufficient in itself. You should cultivate the habit of using your local library and consulting other textbooks. This does not mean that other textbooks are to be read as a whole. Rather they are to be consulted as supplementary reading in special topics.

Authors have different methods of explaining rules and procedures. Often, a variation in presentation clears up what had been previously ambiguous. Occasionally, a particular topic is dealt with too cursorily for certain examination requirements, and additional reading becomes essential. At this stage of study, you may find the following reading list useful.

### General Accounting Principles

G. Whitehead: <i>Success in Principles of Accounts</i>	John Murray.
R.J. Bull: <i>Accounting in Business</i>	Butterworth.
J. Blake: <i>Accounting Standards</i>	Pitmans.

### Interpretation

Clemens: <i>Balance Sheets and Lending Banker</i>	Europa.
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### Costing

Mearns: <i>Fundamentals of Cost and Management Accounting</i>	FT Management
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## Using the Course Materials

The course must be viewed as a complete entity of which the various activities, Self-assessment Tests and Tutor-marked Assignments (TMAs) form an integral part.

At the end of each lesson you will find a self-assessed Practice Test (Test 1, 2, 3, etc.). As far as possible you should attempt these tests

without referring to the lesson notes or textbooks, but when you find a question very difficult then make use of the lesson notes, books etc., before referring to the suggested answers. A vital aspect of your studies is understanding the material. Never leave a lesson part understood — Accountancy is a developing subject and lack of understanding will handicap your progress. Your answers to the Practice Tests should *not* be sent to your tutor for assessment.

At specified stages in the course you will be required to tackle Tutor-marked Assignments. As the name suggests, your answers to them should be sent to your tutor. If possible, you should treat the tests as “Mock Examinations” and attempt them without reference to lesson notes, book, etc. The aim of the tests is to give you practice at working under examination conditions and to allow your tutor to make his or her own assessment of your progress. Suggested answers will be sent to you with your marked work.

If you should encounter particular problems when studying a lesson then contact your tutor. Include your workings in any enquiry you send to your tutor, as he or she will then be able to see the nature of your difficulty.

## The 'AS' Level and 'A' Level System

Students should be aware that the 'A' level system in the UK was changed in 2000. As a result, all the awarding bodies, including AQA (which brought together the old AEB and NEAB exam groups) introduced new Advanced Subsidiary (AS) as well as revised Advanced ('A') level specifications and examinations across the full subject range.

### The Advanced Subsidiary (AS) Level

Advanced Subsidiary (AS) courses may be used in one of two ways:

- As a final qualification, allowing candidates to broaden their studies and to defer questions about specialism;
- As the first half (50%) of an Advanced Level qualification, which must be completed before an Advanced Level award can be made.

Advanced Subsidiary is designed to provide an appropriate assessment of knowledge, understanding and skills expected of candidates who have completed the first half of a full Advanced Level Qualification.

### The Advanced Level (AS + A2)

The Advanced Level examination is in two parts:

Advanced Subsidiary (AS) - 50% of the total award;

A second examination, called A2 - 50% of the total award

Most Advanced Subsidiary and Advanced level courses are modular. The AS level normally comprises three teaching and learning modules and the A2 comprises a further three teaching and learning modules. These modules generally match the Units of Assessment (or Exam Papers).

### Examination Flexibility

The new style 'A' levels allow for more flexibility in the taking of exams. The two most popular options are:

- AS is completed at the end of one year and A2 at the end of the second year;
- AS and A2 are completed at the end of the same year.

Both of these options are open to students following this course as it is divided into two halves and follows the same modular sequence as the specification.

### Grading and Shelf-Life

The **grading system** has not changed much from the old 'A' level system. For both AS level and the full 'A' level qualification, there is a 5-grade scale: A, B, C, D and E. Candidates who fail to reach the minimum standard for Grade E will be recorded as U (unclassified).

The **shelf-life** of the results, prior to the award of the qualification, is limited only by the shelf-life of the specification. As long as the specification stays in its present form, grades can therefore be carried forward indefinitely.

## The Examination Structure

This information is correct at the time of publication but may be subject to change. Prior to the examination, students should contact the exam board for the latest information.

This course is designed to match the requirements of the AQA 5121 (AS) and 6121 ('A' level A2) specifications. The exam consists of six written papers (called units), three at each level. Each unit is 1 hour long at AS level and 1 hour 15 minutes at A2.

AS level candidates choose between Unit 1 or 2. The exam board recommends that students anticipating completing the full 'A' level take Unit 1 and not Unit 2. Units 3 and 4 are compulsory. There are no choices for A2 (normally the second year of study).

Here are the assessment units, or exam papers:

## AS Examination

*Either*

**Unit 1** (code: ACC1) 33.3% of the total AS marks  
16.7% of the total 'A' level marks  
Subject Content Module 1  
The Accounting Informational System  
Between 3 and 7 compulsory structured questions

*or*

**Unit 2** (code: ACC2) 33.3% of the total AS marks  
16.7% of the total 'A' level marks  
Subject Content Module 2  
Introduction to Published Accounts  
Between 3 and 7 compulsory structured questions

*then*

**Unit 3** (code: ACC3) 33.3% of the total AS marks  
16.7% of the total 'A' level marks  
Subject Content Module 3  
Financial Accounting  
Between 3 and 7 compulsory structured questions

*and*

**Unit 4** (code: ACC4) 33.3% of the total AS marks  
16.7% of the total 'A' level marks  
Subject Content Module 4  
Introduction to Management Accounting  
Between 3 and 7 compulsory structured questions

## A2 Examination

**Unit 5** (code: ACC5) 16.7% of the total 'A' level marks  
Subject Content Module 5  
Further Aspects of Financial Accounting  
Between 3 and 7 compulsory structured questions of varying lengths. The last question will be a longer one containing synoptic assessment (i.e. it also requires knowledge of the AS syllabus).

**Unit 6** (code: ACC6) 16.7% of the total 'A' level marks  
Subject Content Module 6  
Published Accounts of Limited Companies  
Between 3 and 7 compulsory structured questions of varying lengths. The last question will be a longer one containing synoptic assessment (i.e. it requires knowledge of all parts of the syllabus).

**Unit 7** (code: ACC7) 16.7% of the total 'A' level marks  
Subject Content Module 7  
Further Aspects of Management Accounting  
Between 3 and 7 compulsory structured questions of varying lengths. The last question will be a longer one containing synoptic assessment (i.e. it requires knowledge of all parts of the syllabus).

The Exam entry codes for these units are ACC1 through to ACC7.

Although there is choice between Units 1 and 2 for exam purposes, there is not much of a choice for study purposes as virtually all topics covered in these two units are prerequisites for units covered later in the course.

All the A2 units address the whole specification and are not normally examined until the end of the course.

### Use of Calculators in the Examination Room

These are permitted by the AQA. For any other examinations, you should check with the appropriate specification.

## Further Guidance

Currency figures in this course are all quoted in U.K. currency. If you are studying outside the United Kingdom you should remember that although your local currency may well be different the accounting principles involved are identical. It is also possible that some other figures, e.g. cost of living figures, may bear no relation to the cost of living that you experience. Thus the course may quote the price of cars as being £3,000 - £5,000. It is possible that cars where you live cost more or less than these figures. However, the important point is the underlying principle of the entry rather than the actual values.

One other point to remember if you are studying outside the United Kingdom is that the course is based on English Company Law. When you come to the lessons dealing with Published Accounts you will need to bear in mind that the legal requirements of your country may be different. English Law now conforms closely to European Law on disclosure, and most countries are calling for similar information. For most students a general knowledge of disclosure requirements under English Law is all that is required.

### Studying the Syllabus

You should be sure to acquire your own copy of the syllabus, either via the AQA Publications Dept or from the website [www.aqa.org.uk](http://www.aqa.org.uk).

The syllabus can be purchased from

Publications,  
AQA, Aldon House,  
39, Heald Grove,  
Rusholme,  
Manchester  
M14 4NA (tel: 0161-953-1170)

or downloaded from [www.aqa.org.uk/qual/pdf/AQA6121WSP.pdf](http://www.aqa.org.uk/qual/pdf/AQA6121WSP.pdf).

We advise that you obtain a copy of the syllabus so that you can assess which topics you have covered in the most detail and which ones you will feel happiest about in the exam. AQA can also provide advice booklets on your course, including 'Supplementary Guidance for Private Candidates'. As you approach the examination, it will also be helpful to purchase and tackle past papers from AQA.

## Using the Internet

All students would benefit from access to the Internet. You will find a wealth of information on all the topics in your course. As well as the AQA website ([www.aqa.org.uk](http://www.aqa.org.uk)), you should get into the habit of checking the Oxford Open Learning site ([www.ool.co.uk](http://www.ool.co.uk)) where you may find news, additional resources and interactive features as time goes by. If you have not already done so, you may register for your free copy of *How to Study at Home*, our 200-page guide to home learning, or enrol on further courses. Put it on your Favourites list now!

Good luck!

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