

MARINA INTERNATIONAL SCHOOL

ACCOUNTING SCHEME OF WORK

FORM 5 - TERM 1

WEEK	TOPIC	TOPIC DETAILS
1.1	VERIFICATION OF ACCOUNTING RECORDS -The Trial Balance	Students should understand the following: <ul style="list-style-type: none">• Meaning of a trial balance• Uses and limitations of trial balance• Preparing a trial balance• Amending a trial balance• Identify and explain those errors which do not affect a trial balance: compensating, commission, original entry, complete reversal of entry, omission and principle
2.1	2 Correction of errors	<ul style="list-style-type: none">• Students to learn how to correct errors by means of a journal.• Explain the use of suspense account • Adjusting profit or loss in an accounting year after amending errors
3.1	BANK RECONCILIATION	<ul style="list-style-type: none">• Students to be able to understand the use and purpose of bank statements. • Update the cash book for bank charges, bank interest paid and received, correction of errors, credit transfers, direct debits, dividends, and standing orders. • To understand the purpose of bank reconciliation and to prepare it to include bank errors, uncredited deposits, and unpresented cheques.
4.1	CONTROL ACCOUNTS	<ul style="list-style-type: none">• To know the purposes of purchases ledger and sales ledger control accounts. • Identify books of prime entry as sources of control account entries. • To prepare sales ledger the and purchases ledger control accounts to include credit purchases and credit sales, receipts and payments, cash discounts, returns, irrecoverable debts, dishonoured cheques, interest on overdue accounts, contra entries, refunds, opening and closing balances (debit and credit within each o account).

WEEK	TOPIC	TOPIC DETAILS
5.1	ACCOUNTING PROCEDURES - CAPITAL AND REVENUE EXPENDITURE AND RECEIPTS	<ul style="list-style-type: none"> • Distinguish between and account for capital expenditure and revenue expenditure. • Distinguish between and account for capital receipts and revenue receipts. • Calculate and comment on the effect on profit of incorrect treatment. • Calculate and comment on the effect the effect on asset valuations of incorrect treatment.
6.1	CAPITAL AND REVENUE EXPENDITURE AND RECEIPTS	<ul style="list-style-type: none"> • Distinguish between and account for capital expenditure and revenue expenditure. • Distinguish between and account for capital receipts and revenue receipts. • Calculate and comment on the effect on profit of incorrect treatment. • Calculate and comment on the effect the effect on asset valuations of incorrect treatment.
7.1	ACCOUNTING FOR DEPRECIATION AND DISPOSAL OF NON-CURRENT ASSETS	<ul style="list-style-type: none"> • To define depreciation and explain the reason for accounting for it. • Students should name and describe the straight - line, reducing balance and revaluation methods of depreciation. • To prepare ledger accounts and journal entries for the provision for depreciation. • To prepare ledger accounts and journal entries to record the sale of non - current assets, including the use of disposal accounts.
8.1	OTHER PAYABLES AND OTHER RECEIVABLES	<ul style="list-style-type: none"> • Recognize the importance of matching costs and revenues. • Prepare ledger accounts and journal entries to record accrued and prepaid expenses. • Prepare ledger accounts and journal entries to record accrued and prepaid incomes

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9.1	IRRECOVERABLE DEBTS AND PROVISION FOR DOUBTFUL DEBTS	<ul style="list-style-type: none"> • Understand the meaning of irrecoverable debts and recovery of debts written off • Prepare ledger accounts and journal entries for irrecoverable debts • Prepare ledger accounts and journal entries to record recovery of debts written off. • Explain the reasons for maintaining a provision for doubtful debts • Prepare ledger accounts and journal entries for the creation of, and adjustments to, a provision for doubtful.
10.1	VALUATION OF INVENTORY	<ul style="list-style-type: none"> • Students to be able to understand the basis of valuation of inventory at the lower of cost and net realizable value. • Prepare simple inventory valuation statements. • Recognize the importance of valuation of inventory and the effect of an incorrect valuation
11.1	PREPARATION OF FINANCIAL STATEMENTS - Sole Traders	<ul style="list-style-type: none"> • Meaning of a sole trader. • Advantages and disadvantages • Importance of preparing income statements and statements of financial position. • Difference between a trading business and a service business • Preparing income statements for a service business and a trading business. • Preparing a statement of financial position to record assets , liabilities and capital at a certain date. • Recognize the contents of a statement of financial position- non-current assets, intangible assets, etc • Make adjustments for provision for depreciation using a given method of calculating depreciation. • To learn how to treat goods taken for own use, irrecoverable debts, provision for doubtful debts, prepaid and accrued income and expenses.

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12.1	PARTNERSHIPS	<ul style="list-style-type: none"> • To define and be able to explain the term partnership • Students should know the importance and content of a partnership agreement. • Explain the purpose of an appropriation account. • Students should know how to prepare income statements, appropriation accounts and statements of financial position. • Record interest on partners loans, interest on capital, interest on drawings, partners' salaries and the division of the balance of profit or loss. • To make adjustments for doubtful debts, depreciation, bad debts, accrued income or expenses and prepaid income or expenses. • Explain the uses and differences between capital and current accounts of partners and to be able to draw up partners' capital and current accounts in ledger account form and as part of a statement of financial position.
13.1	LIMITED COMPANIES	<ul style="list-style-type: none"> • Students should know how to define limited companies • To explain the advantages and disadvantages of operating as a limited company. • To understand the terms 'equity' and 'limited liability' • Students should understand the capital structure of limited liability company comprising of preference share capital ordinary share capital, general <ul style="list-style-type: none"> o reserve and retained earnings. • Understand and distinguish between issued, called-up and paid-up capital share capital • Students to understand and distinguish between share capital (preference shares <ul style="list-style-type: none"> • and ordinary shares) and loan capital • Prepare income statements, statements of changes in equity and statements of financial position. • To be able to make adjustments for arrears, prepayments, depreciation and provision for doubtful debts.

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14.1	LIMITED COMPANIES	<ul style="list-style-type: none"> • Students should know how to define limited companies • To explain the advantages and disadvantages of operating as a limited company. • To understand the terms 'equity' and 'limited liability' • Students should understand the capital structure of limited liability company comprising of preference share capital ordinary share capital, general <ul style="list-style-type: none"> o reserve and retained earnings. • Understand and distinguish between issued, called-up and paid-up capital share capital • Students to understand and distinguish between share capital (preference shares <ul style="list-style-type: none"> • and ordinary shares) and loan capital • Prepare income statements, statements of changes in equity and statements of financial position. • To be able to make adjustments for arrears, prepayments, depreciation and provision for doubtful debts.
15.1	END OF FIRST TERM	End of Term

ACCOUNTING SCHEME OF WORK

FORM 5 - TERM 2

WEEK	TOPIC	TOPIC DETAILS
1.1	PREPARATION OF FINANCIAL STATEMENTS (cont'd) - CLUBS AND SOCIETIES	<ul style="list-style-type: none"><li data-bbox="703 667 1474 741">☐ To know that clubs and societies are non-profit making organizations.<li data-bbox="703 786 1474 860">☐ Distinguish between receipts and payments accounts and income and expenditure accounts.<li data-bbox="703 904 1474 1055">☐ Students should be able to prepare receipts and payments accounts, accounts for revenue generating activities such as refreshments accounts and subscriptions account.<li data-bbox="703 1099 1474 1173">☐ Prepare income and expenditure accounts and statements of financial position.<li data-bbox="703 1218 1474 1292">☐ Students should understand how to make adjustments to financial statements.<li data-bbox="703 1337 1474 1411">☐ Students should know how to define and calculate accumulated fund

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2.1	CLUBS AND SOCIETIES	<ul style="list-style-type: none"> <li data-bbox="703 170 1474 241">☐ To know that clubs and societies are non-profit making organizations. <li data-bbox="703 286 1474 358">☐ Distinguish between receipts and payments accounts and income and expenditure accounts. <li data-bbox="703 403 1474 555">☐ Students should be able to prepare receipts and payments accounts, accounts for revenue generating activities such as refreshments accounts and subscriptions account. <li data-bbox="703 600 1474 672">☐ Prepare income and expenditure accounts and statements of financial position. <li data-bbox="703 716 1474 788">☐ Students should understand how to make adjustments to financial statements. <li data-bbox="703 833 1474 904">☐ Students should know how to define and calculate accumulated fund
3.1	MANUFACTURING ACCOUNTS	<ul style="list-style-type: none"> <li data-bbox="703 976 1353 1003">☐ To distinguish between direct and indirect costs. <li data-bbox="703 1059 1461 1131">☐ To understand direct materials, direct labour, prime cost and factory overheads. <li data-bbox="703 1176 1474 1247">☐ To learn how to treat work in progress in a manufacturing business. <li data-bbox="703 1292 1390 1364">☐ Students should be able to calculate factory cost of production.
4.1	MANUFACTURING ACCOUNTS	<ul style="list-style-type: none"> <li data-bbox="703 1435 1474 1507">☐ Prepare manufacturing accounts, income statements and statements of financial position. <li data-bbox="703 1552 1453 1659">☐ To understand how to adjust financial statements for a manufacturing business to include accruals, prepayments, depreciation and provision for doubtful debts

WEEK	TOPIC	TOPIC DETAILS
5.1	INCOMPLETE RECORDS	<ul style="list-style-type: none"> <li data-bbox="703 165 1417 203">☐ Students to know the meaning of incomplete records <li data-bbox="703 248 1281 320">☐ Explain the disadvantages of maintaining a full set of accounting records <li data-bbox="703 365 1414 403">☐ To prepare opening and closing statements of affairs <li data-bbox="703 448 1393 519">☐ Calculate profit or loss for the year from changes in capital over time <li data-bbox="703 564 1465 674">☐ Calculate sales, purchases, gross profit, trade receivables and trade payables, and other figures from incomplete records <li data-bbox="703 719 1370 790">☐ To prepare income statements and statements of financial position from incomplete records <li data-bbox="703 835 1450 945">☐ Students should learn how to make adjustments to financial statements for accruals, prepayments, bad debts and irrecoverable
6.1	INCOMPLETE RECORDS	<ul style="list-style-type: none"> <li data-bbox="703 1014 1417 1052">☐ Students to know the meaning of incomplete records <li data-bbox="703 1097 1281 1169">☐ Explain the disadvantages of maintaining a full set of accounting records <li data-bbox="703 1214 1414 1252">☐ To prepare opening and closing statements of affairs <li data-bbox="703 1296 1393 1368">☐ Calculate profit or loss for the year from changes in capital over time <li data-bbox="703 1413 1465 1523">☐ Calculate sales, purchases, gross profit, trade receivables and trade payables, and other figures from incomplete records <li data-bbox="703 1568 1370 1639">☐ To prepare income statements and statements of financial position from incomplete records <li data-bbox="703 1684 1450 1794">☐ Students should learn how to make adjustments to financial statements for accruals, prepayments, bad debts and irrecoverable

WEEK	TOPIC	TOPIC DETAILS
7.1	ANALYSIS AND INTERPRETATION OF ACCOUNTS - Calculation and understanding of accounting ratios	<p>Students should be able to understand and calculate</p> <ul style="list-style-type: none"> <input type="checkbox"/> Gross Margin <input type="checkbox"/> Profit Margin <input type="checkbox"/> Return on Capital Employed (ROCE) <input type="checkbox"/> Current Ratio <input type="checkbox"/> Liquid or acid test ratio <input type="checkbox"/> Rate of Inventory Turnover (times) <input type="checkbox"/> Trade Receivables Turnover (days) <input type="checkbox"/> Trade Payables (days)
8.1	Interpretation of accounting ratios	<ul style="list-style-type: none"> <input type="checkbox"/> Students should be able to prepare and comment on simple statements showing comparison of results for different years <input type="checkbox"/> To make recommendations and suggestions for improving profitability and working capital <input type="checkbox"/> To know the difference and significance between gross margin and profit margin as indicators of business efficiency. <input type="checkbox"/> To explain the relationship of gross profit and profit for the year to the valuation of inventory, rate of inventory turnover, revenue, expenses, and equity
8.2	Inter-firm comparison	<ul style="list-style-type: none"> <input type="checkbox"/> Understand the problems of inter-firm comparison <input type="checkbox"/> Apply accounting ratios to inter-firm comparison
9.1	Interested parties	<p>Students should be able to explain and know the importance of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Owners <input type="checkbox"/> Managers <input type="checkbox"/> Trade payables <input type="checkbox"/> Banks <input type="checkbox"/> Investors <input type="checkbox"/> Club members <input type="checkbox"/> Other interested parties

WEEK	TOPIC	TOPIC DETAILS
9.2	Limitations of accounting statements	<p>Students should know the limitations of accounting records which include</p> <ul style="list-style-type: none"> <input type="checkbox"/> Historic cost <input type="checkbox"/> Difficulties of definitions <input type="checkbox"/> Non-financial aspects
10.1	ACCOUNTING PRINCIPLES AND POLICIES - ACCOUNTING PRINCIPLES	<p>Students should be able to understand the meaning and importance of the following accounting concepts:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Matching <input type="checkbox"/> Duality <input type="checkbox"/> Business Entity <input type="checkbox"/> Consistency <input type="checkbox"/> Going Concern <input type="checkbox"/> Historic Cost <input type="checkbox"/> Materiality <input type="checkbox"/> Money Measurement <input type="checkbox"/> Prudence <input type="checkbox"/> Realization
11.1	ACCOUNTING POLICIES	<p>Students should be able to explain and justify the need for these accounting policies:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Comparability <input type="checkbox"/> Relevance <input type="checkbox"/> Reliability <input type="checkbox"/> Understandability
12.1	EXAMS	Exams

ACCOUNTING SCHEME OF WORK

FORM 5 - TERM 3

WEEK	TOPIC	TOPIC DETAILS
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