

MARINA INTERNATIONAL SCHOOL

ACCOUNTING SCHEME OF WORK

FORM 6 - TERM 1

WEEK	TOPIC	TOPIC DETAILS
1.1	Financial Accounting - The Accounting Cycle	Students should be able to: <ul style="list-style-type: none">• explain and apply the principles of the double entry system to record business transactions• apply the accounting equation• describe the functions of the books of prime entry• describe the limitations of the books of prime entry• prepare ledger accounts and trial balance• apply the accounting concepts underpinning the preparation of accounts: business entity, historic cost, money measurement, going concern, consistency, prudence, realization, duality, materiality, matching and substance over form.
2.1	The Accounting Cycle	Students should be able to: <ul style="list-style-type: none">• explain and apply the principles of the double entry system to record business transactions• apply the accounting equation• describe the functions of the books of prime entry• describe the limitations of the books of prime entry• prepare ledger accounts and trial balance• apply the accounting concepts underpinning the preparation of accounts: business entity, historic cost, money measurement, going concern, consistency, prudence, realization, duality, materiality, matching and substance over form.
3.1	Accounting for Non-Current Assets	Students should understand the: <ul style="list-style-type: none">• distinction between and treatment of capital and revenue incomes and expenditures• causes of depreciation• purpose of accounting for depreciation and the application of relevant accounting concepts in respect of non-current assets

WEEK	TOPIC	TOPIC DETAILS
4.1	Accounting for Non-Current Assets	<p>Students should be able to:</p> <ul style="list-style-type: none"> • calculate depreciation using the reducing balance, straight-line and revaluation methods. • evaluate the most appropriate method of calculating depreciation • prepare ledger accounts and journal entries for non-current assets, depreciation and disposal (including entries for part exchange) • calculate the profit or loss on disposal of a non-current asset • record the effect of providing for depreciation in the income statement and statement of financial position.
5.1	1.2 Accounting for Non-Current Assets	<p>Students should be able to:</p> <ul style="list-style-type: none"> • calculate depreciation using the reducing balance, straight-line and revaluation methods. • evaluate the most appropriate method of calculating depreciation • prepare ledger accounts and journal entries for non-current assets, depreciation and disposal (including entries for part exchange) • calculate the profit or loss on disposal of a non-current asset • record the effect of providing for depreciation in the income statement and statement of financial position.
6.1	Accounting for Non-Current Assets	<p>Students should be able to:</p> <ul style="list-style-type: none"> • calculate depreciation using the reducing balance, straight-line and revaluation methods. • evaluate the most appropriate method of calculating depreciation • prepare ledger accounts and journal entries for non-current assets, depreciation and disposal (including entries for part exchange) • calculate the profit or loss on disposal of a non-current asset • record the effect of providing for depreciation in the income statement and statement of financial position.
7.1	Reconciliation and Verification	<p>Students should understand the need to reconcile and verify ledger accounts using documentation from internal and external sources. Students should be able to:</p> <ul style="list-style-type: none"> • prepare a bank reconciliation statement from relevant information. • prepare ledger accounts and journal entries to correct errors using a suspense account and record the effects of these in the financial statements • prepare sales and purchase ledger control accounts • reconcile control accounts and ledgers • outline the uses and limitations of control accounts

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8.1	Preparation of Financial Statements - Adjustments to Financial Statements	<p>Students should understand the need for and purpose of financial statements.</p> <p>Students should be able to calculate the adjustments needed for:</p> <ul style="list-style-type: none"> • accruals and prepayments • irrecoverable debts and doubtful debts • depreciation • inventory
9.1	Sole Traders	<p>Students should be able to prepare an income statement and statement of financial position for a sole trader from full or incomplete accounting records.</p>
10.1	Partnerships	<p>Students should be able to:</p> <ul style="list-style-type: none"> • prepare an income statement, appropriation account and statement of financial position for a partnership from full or incomplete accounting records • prepare capital and current accounts to record changes required in respect of goodwill and revaluation of assets on the introduction of a new partner, retirement of an existing partner and the dissolution of a partnership
11.1	Partnerships	<p>Students should be able to:</p> <ul style="list-style-type: none"> • prepare an income statement, appropriation account and statement of financial position for a partnership from full or incomplete accounting records • prepare capital and current accounts to record changes required in respect of goodwill and revaluation of assets on the introduction of a new partner, retirement of an existing partner and the dissolution of a partnership
12.1	Limited Companies	<p>Students should be able to:</p> <ul style="list-style-type: none"> • prepare an income statement, statement of financial position and simple cash flows for a limited company from full or incomplete accounting records describe the distinction between capital and revenue reserves <p>explain the different types of shares a company may issue</p> <ul style="list-style-type: none"> • prepare ledger accounts to record the issue of the different types of shares, including bonus and rights issues • prepare a statement of changes in equity.

WEEK	TOPIC	TOPIC DETAILS
13.1	Limited companies (cont'd)	<p>Students should be able to:</p> <ul style="list-style-type: none"> • prepare an income statement, statement of financial position and simple cash flows for a limited company from full or incomplete accounting records describe the distinction between capital and revenue reserves explain the different types of shares a company may issue • prepare ledger accounts to record the issue of the different types of shares, including bonus and rights issues • prepare a statement of changes in equity.
14.1	Analysis and communication of accounting information to stakeholders	<p>Students should understand the need for the analysis of financial data to aid decision making by stakeholders.</p> <p>Students should be able to:</p> <ul style="list-style-type: none"> • identify and discuss the differing requirements for information of user groups including: management, employees, potential investors, creditors, government, public and environmental bodies; and communicate the information required by these different stakeholder groups • calculate key accounting ratios to measure profitability, liquidity and efficiency: <ul style="list-style-type: none"> – Profitability ratios including: gross margin, mark up, profit margin, return on capital employed, expenses to revenue ratio (operating expenses to revenue ratio) – Liquidity ratios including: current ratio, liquid (acid test) ratio – Efficiency ratios including: non-current asset turnover, trade receivables turnover (days), trade payables turnover (days), inventory turnover (days), rate of inventory turnover (times) <p>(See the formulae in the 'Summary of commonly used ratios' section.)</p>
15.1	END OF FIRST TERM	END OF TERM

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FORM 6 - TERM 2

WEEK	TOPIC	TOPIC DETAILS
1.1	Cost Management Accounting - Costing for Materials and Labour	<p>Students should understand the need to account for material and labour costs.</p> <p>Students should be able to:</p> <ul style="list-style-type: none">• identify and calculate fixed costs, variable costs, semi variable costs and stepped costs• identify the elements of direct and indirect materials and labour• calculate the value of closing inventory using the FIFO and AVCO methods (perpetual and periodic)• calculate labour costs using different methods of remuneration including bonus schemes• understand the different characteristics, and the appropriateness, of using FIFO, AVCO and LIFO (Detailed calculations of the value of inventory using LIFO will not be set.)• demonstrate the effect of different methods of valuing inventory of material on profit.
2.1	Costing for Materials and Labour	<p>Students should understand the need to account for material and labour costs.</p> <p>Students should be able to:</p> <ul style="list-style-type: none">• identify and calculate fixed costs, variable costs, semi variable costs and stepped costs• identify the elements of direct and indirect materials and labour• calculate the value of closing inventory using the FIFO and AVCO methods (perpetual and periodic)• calculate labour costs using different methods of remuneration including bonus schemes• understand the different characteristics, and the appropriateness, of using FIFO, AVCO and LIFO (Detailed calculations of the value of inventory using LIFO will not be set.)• demonstrate the effect of different methods of valuing inventory of material on profit.

WEEK	TOPIC	TOPIC DETAILS
3.1	Traditional Costing Methods - Absorption Costing	Students should be able to: <ul style="list-style-type: none"> • allocate and apportion overhead expenditure between production and service departments • calculate overhead absorption rates
4.1	Absorption Costing (cont'd)	<ul style="list-style-type: none"> • calculate and explain the causes of under absorption and over absorption of overheads • identify and explain the uses and limitations of absorption
5.1	Marginal Costing	Students should understand the application of marginal costing. Students should be able to: <ul style="list-style-type: none"> • calculate the contribution of a product • prepare a break-even chart • calculate the break-even point, contribution to sales ratio and margin of safety • explain the use and limitations of break-even charts • prepare a statement reconciling the reported profit using marginal costing and absorption costing • identify the uses and limitations of marginal costing • calculate the effect of limiting factors on production.
6.1	Marginal Costing	Students should understand the application of marginal costing. Students should be able to: <ul style="list-style-type: none"> • calculate the contribution of a product • prepare a break-even chart • calculate the break-even point, contribution to sales ratio and margin of safety • explain the use and limitations of break-even charts • prepare a statement reconciling the reported profit using marginal costing and absorption costing • identify the uses and limitations of marginal costing • calculate the effect of limiting factors on production.
7.1	Cost-Volume-Profit-Analysis	Students should be able to: <ul style="list-style-type: none"> • identify and explain the advantages and limitations of cost-volume-profit analysis • evaluate and interpret cost-volume-profit data and its value as a support for management decision making • prepare costing statements using unit, job and batch costing principles • apply costing concepts to make business decisions and recommendations using supporting data

WEEK	TOPIC	TOPIC DETAILS
8.1	The Application of Accounting to Business Planning	<p>The Application of Accounting to Business Planning</p> <p>Students should understand the benefit to business planning by the use of accounting data.</p> <p>Students should be able to:</p> <ul style="list-style-type: none"> • explain the need for a business to plan for the future • explain why organizations prepare budgets and the benefits they bring to the planning process • explain the advantages and disadvantages of budgetary control, including both financial and non-financial factors.
9.1	REVISION	Revision
10.1	REVISION	Revision
11.1	EXAMS	Exams
12.1	EXAMS	Exams

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FORM 6 - TERM 3

WEEK	TOPIC	TOPIC DETAILS
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