

# MARINA INTERNATIONAL SCHOOL

## ACCOUNTING SCHEME OF WORK

### FORM 7 - TERM 1

WEEK	TOPIC	TOPIC DETAILS
1.1	Preparation of Financial Statements - Manufacturing Businesses	<p>Students should understand the need for and purpose of financial statements for specific types of trading and non-trading organizations.</p> <p>They should be able to</p> <ul style="list-style-type: none"><li>• prepare a manufacturing account, including profit on transfer from factory to finished inventory</li><li>• account for manufacturing profit and the elimination of unrealized profit from</li></ul>
2.1	Not for profit organization	<p>Students should be able to prepare financial statements for not-profit making organizations, including</p> <ul style="list-style-type: none"><li>• a trading account</li><li>• an income and expenditure account</li><li>• a statement of financial position</li></ul>
3.1	Limited companies	<p>Students should be able to</p> <ul style="list-style-type: none"><li>• understand the nature and purpose of the financial statements of limited companies, and the regulatory framework in which they operate.</li><li>• prepare an income statement, statement of financial position and statement of cash flows for a limited company in line with the relevant accounting standards.</li></ul>
4.1	International accounting standards	<ul style="list-style-type: none"><li>• The following International Accounting Standards (IAS) should be known by the students and they should be able to explain and apply them:</li></ul> <p>IAS Topics</p> <p>IAS 1 Preparation of financial statements</p> <p>IAS 2 Inventories (not long-term contracts)</p> <p>IAS 7 Statement of cash flows</p> <p>IAS 8 Accounting policies</p>

<b>WEEK</b>	<b>TOPIC</b>	<b>TOPIC DETAILS</b>
5.1	International accounting standards	<p>IAS 10 Events after the reporting period  IAS 16 Property, plant and equipment  IAS 36 Impairment of assets  IAS 37 Provisions, contingent liabilities and contingent assets  IAS 38 Intangible assets</p> <ul style="list-style-type: none"> <li>• To explain the need for an ethical framework in accounting</li> </ul>
6.1	Auditing and Stewardship of limited companies	<p>Students should be able to</p> <ul style="list-style-type: none"> <li>• explain the role of an auditor</li> <li>• explain and discuss the role of directors and their responsibilities to shareholders (stewardship)</li> <li>• discuss the importance of a true and fair view in respect of financial statements.</li> </ul>
7.1	Business purchase and merger	<p>Students should understand the nature and purpose of the merger of different types of businesses to form a new enterprise. They should also be able to</p> <ul style="list-style-type: none"> <li>• make entries in the relevant ledger accounts to record the <ul style="list-style-type: none"> <li>- merger of two or more sole traders' businesses to form a partnership</li> <li>- merger of a sole trader's business with an existing partnership to form an enlarged partnership</li> <li>- acquisition of a sole trader's business or partnership by a limited company</li> </ul> </li> </ul>
8.1	Business purchase and merger	<ul style="list-style-type: none"> <li>• prepare income statements and statements of financial position for the newly formed business following the merger, for example the limited company acquiring the partnership</li> </ul>
9.1	Consignment and joint venture	<ul style="list-style-type: none"> <li>• Students should be able to distinguish between consignments and joint ventures and the environment in which they operate. They need to know how to</li> <li>• prepare ledger accounts for consignment transactions, including the calculation of closing inventory valuation</li> </ul>
10.1	Consignment and joint venture	<ul style="list-style-type: none"> <li>• prepare ledger accounts for joint ventures</li> <li>• calculate the profit for joint ventures</li> </ul>

WEEK	TOPIC	TOPIC DETAILS
11.1	Computerized accounting systems	<p>Students should understand the need for and be able to discuss the process of computerizing the accounts of a business. Students should be able to</p> <ul style="list-style-type: none"> <li>• discuss the advantages and disadvantages of introducing a computerized accounting system</li> <li>• discuss the process of computerizing the business accounts</li> <li>• discuss the ways in which the integrity of the accounting data can be ensured during the transfer to a computerized accounting system. (Students are not required to use ICT)</li> </ul>
12.1	Analysis and communication of accounting information	<p>Students should understand the need for the analysis of financial data to aid decision making by potential investors in a business. They should be able to</p> <ul style="list-style-type: none"> <li>• calculate the ratios <ul style="list-style-type: none"> <li>- working capital cycle (in days)</li> <li>- net working assets to revenue (sales)</li> <li>- income gearing</li> <li>- gearing</li> <li>- earnings per share</li> <li>- price earnings ratio</li> <li>- dividend yield</li> <li>- dividend cover</li> </ul> </li> </ul>
13.1	Analysis and communication of accounting information	<p>Students should understand the need for the analysis of financial data to aid decision making by potential investors in a business. They should be able to</p> <ul style="list-style-type: none"> <li>• calculate the ratios <ul style="list-style-type: none"> <li>- working capital cycle (in days)</li> <li>- net working assets to revenue (sales)</li> <li>- income gearing</li> <li>- gearing</li> <li>- earnings per share</li> <li>- price earnings ratio</li> <li>- dividend yield</li> <li>- dividend cover</li> </ul> </li> </ul>
14.1	Analysis and communication of accounting information	<p>Students should understand the need for the analysis of financial data to aid decision making by potential investors in a business. They should be able to</p> <ul style="list-style-type: none"> <li>• calculate the ratios <ul style="list-style-type: none"> <li>- dividend per share</li> </ul> </li> </ul> <p>(See the formulae in the summary of commonly used ratios section of the syllabus)</p> <ul style="list-style-type: none"> <li>• analyze and evaluate the results of the ratios and draw conclusions</li> <li>• make appropriate recommendations to potential investors</li> <li>• evaluate the interrelationships between ratios.</li> </ul>

<b>WEEK</b>	<b>TOPIC</b>	<b>TOPIC DETAILS</b>
15.1	END OF FIRST TERM	END OF TERM

# ACCOUNTING SCHEME OF WORK

## FORM 7 - TERM 2

<b>WEEK</b>	<b>TOPIC</b>	<b>TOPIC DETAILS</b>
1.1	Cost and Management Accounting - Activity based costing	Students should be able to understand and discuss the application of activity-based costing and identify and explain its uses and limitations. They need to be able to <ul style="list-style-type: none"><li>• use ABC to</li><li>- apportion overheads</li><li>- calculate the total cost of a unit</li><li>- calculate the value of inventory</li></ul>
2.1	Activity based costing	demonstrate the effect of different methods of overhead absorption on profit apply ABC costing techniques to make business decisions and recommendations using supporting data.
3.1	Budgeting and budgetary control	Students should understand the need for and benefits of a budgetary control system to an organization. Students should also be able to discuss the advantages and disadvantages of a budgetary control system to an organization. prepare the following budgets <ul style="list-style-type: none"><li>- Sales</li><li>- Production</li><li>- Purchases</li></ul>
4.1	Budgeting and budgetary control	<ul style="list-style-type: none"><li>- Labour</li><li>- Trade Receivables</li><li>- Trade Payables</li><li>- Cash</li><li>- Master Budget</li></ul>
5.1	Budgeting and budgetary control	<ul style="list-style-type: none"><li>• recognize the effect of limiting factors on the preparation of budgets</li><li>• prepare a flexed budget statement</li><li>• identify and explain the causes of differences between actual and flexed budgeted data.</li><li>• Make business decisions and recommendations using supporting data.</li><li>• Discuss the behavioral aspects of budgeting</li></ul>

WEEK	TOPIC	TOPIC DETAILS
6.1	Standard costing	<p>Students should understand the application of a system of standard costing to an organization. They should be able to</p> <ul style="list-style-type: none"> <li>• Calculate the following variances</li> <li>- Direct material price and usage</li> <li>Direct labour rate variance</li> </ul>
7.1	Standard costing	<p>Fixed overhead expenditure, capacity, efficiency and volume Sales price and volume</p> <ul style="list-style-type: none"> <li>• Reconcile standard cost to actual cost</li> <li>• Reconcile standard profit to actual profit</li> <li>• Explain the causes of the variances and their relationship to each other</li> <li>• Discuss how standard costing can be used as aid to improve the performance of a business.</li> <li>• Discuss the advantages and disadvantages of a standard costing system.</li> </ul>
8.1	Investment appraisal	<p>Students should understand the process of investment appraisal. They should be able to</p> <ul style="list-style-type: none"> <li>• ascertain future net cash inflows and outflows arising from the project, including the treatment of working capital</li> <li>• discuss the advantages and disadvantages of and apply the following capital investments appraisal techniques.</li> <li>- Net Present Value (NPV)</li> <li>- Accounting Rate of Return (ARR)</li> <li>- Payback</li> <li>- Internal Rate of Return (IRR)</li> <li>• make investment decisions and recommendations using supporting data</li> <li>• evaluate, apply and discuss sensitivity analysis techniques in respect of the data prepared.</li> </ul>
9.1	REVISION	Revision using Past papers
10.1	REVISION	Revision using Past Papers
11.1	EXAMS	Exams
12.1	EXAMS	Exams

# ACCOUNTING SCHEME OF WORK

FORM 7 - TERM 3

<b>WEEK</b>	<b>TOPIC</b>	<b>TOPIC DETAILS</b>
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