



RECOGNISING ACHIEVEMENT

## Introduction

The Scheme of Work provides examples of how to teach this unit and the teaching hours are suggestions only. Some or all of it may be applicable to your teaching.

The Specification is the document on which assessment is based and specifies what content and skills need to be covered in delivering the course. At all times, therefore, this Support Material booklet should be read in conjunction with the Specification. If clarification on a particular point is sought then that clarification should be found in the Specification itself.

## Accounting H401 : Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	3-4 hours	<b>Topic Area</b>	Financing: Types of Finance	
<b>Topic outline</b>	<b>Suggested teaching and homework activities</b>		<b>Suggested resources</b>	<b>Points to note</b>
Types of Finance	<ul style="list-style-type: none"> <li>• Explain main types of share capital in a limited company</li> <li>• Describe other types of finance available to a limited company</li> <li>• Discuss suitability of different sources of finance for specified purposes</li> </ul>		Rob Jones Business Accounting  Frank Wood A Level Accounting  Izhar and Hontoir Accounting, Costing and Management  F013 Specimen Bounty 2505 Jan 2007 Ponting 2505 Jan 2006 Spring 2505 Jan 2005 Gwilliam 2501 Jan 2002 Jan Kokes	This topic should serve as an introduction to final accounts of limited companies and is usually assessed as a section within a question

## Accounting H401: Company Accounts and Interpretations F004

<b>Suggested teaching time</b>	3-4 hours	<b>Topic Area</b>	Financing: Reserves, Provisions and Liabilities	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>	<b>Suggested resources</b>	<b>Points to note</b>	
Reserves	<ul style="list-style-type: none"> <li>Describe capital and revenue reserves</li> <li>Explain how each type of reserve is created and how it may be applied</li> </ul>	Rob Jones Business Accounting  Frank Wood A Level Accounting  Izhar and Hontoir Accounting, Costing and Management  2505 Jun 2006 Darnell 2505 Jan 2005 Kimmitt 2505 Jun 2004 Gozzard 2505 Jun 2002 Pyle	This provides background information necessary for the preparation of final accounts  Emphasis should be given that reserves are not necessarily cash  There is often confusion between capital reserves and capital expenditure  This topic is usually assessed as a section within a question	
Provisions and liabilities	<ul style="list-style-type: none"> <li>Distinguish between a provision and a liability</li> </ul>			

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	17-19 hours	<b>Topic Area</b>	The Preparation of Final Accounts for Limited Companies: Final Accounts for Internal Use & Final Accounts for Publication	
Topic	Suggested teaching and homework activities	Suggested resources	Points to note	
Final Accounts for Internal Use	<ul style="list-style-type: none"> <li>• Explanation of Appropriation Accounts</li> <li>• Preparation of Appropriation Accounts</li> <li>• Trading and Profit and Loss and Appropriation Accounts and Balance Sheets</li> </ul>	<p>Frank Wood A Level Accounting</p> <p>Izhar and Hontoir Accounting, Costing and Management</p> <p>F013 Specimen Spice 2505 Jan 2007 Lusby 2505 Jan 2007 Agrawel 2505 Jun 2006 Darnell 2505 Jan 2006 Spring 2505 Jan 2006 Hilgerson 2505 Jun 2005 Woodman 2505 Jun 2004 Gozzard 2505 Jun 2003 Lightyear 2505 Jun 2002 Pyle</p>	<p>Exercises on Appropriation Accounts are a useful introduction to this topic</p> <p>Much of this work develops topics covered at AS Level</p>	
Final Accounts for Publication	<ul style="list-style-type: none"> <li>• Introductions to formats for published final accounts</li> <li>• Preparation of final accounts for publication</li> <li>• Compare and contrast final accounts for internal use and for publication</li> </ul>		<p>It is useful to issue students with a proforma for the formats</p> <p>Different formats are acceptable in line with good accounting practice</p>	

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	17-19 hours	<b>Topic Area</b>	The Preparation of Final Accounts for Limited Companies: Final Accounts for Internal Use & Final Accounts for Publication	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>		<b>Suggested resources</b>	<b>Points to note</b>
Final Accounts for Publication : Schedule of Fixed Assets	<ul style="list-style-type: none"> <li>Introduction to the format for a Schedule of Fixed Assets</li> </ul>			This topic builds upon calculations for depreciation covered at AS Level
Final Accounts for Publication: Role of Auditor	<ul style="list-style-type: none"> <li>Explain the importance of the Auditors Report</li> </ul>			It is useful to refer to actual published accounts

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	9-11 hours	<b>Topic Area</b>	The Preparation of Final Accounts for Limited Companies: Manufacturing Organisations	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>		<b>Suggested resources</b>	<b>Points to note</b>
Manufacturing Accounts	<ul style="list-style-type: none"> <li>Terminology in Manufacturing Accounts</li> <li>Format for Manufacturing Accounts</li> <li>Preparation of Manufacturing Accounts</li> <li>Preparation of Manufacturing, Trading and Profit and Loss Accounts and Balance Sheets, Including apportionment of costs and accounting adjustments</li> <li>Calculation of manufacturing profit and accounting entries</li> <li>Preparation of final accounts incorporating manufacturing profit</li> <li>Calculation of provision for unrealised profit and accounting entries</li> <li>Preparation of final accounts incorporating manufacturing profit and provision for unrealised profit</li> </ul>		<p>Frank Wood Business Accounting 1</p> <p>Rob Jones Business Accounting</p> <p>Izhar and Hontoir Accounting, Costing and Management</p> <p>2505 Jun 2007 Bedford</p> <p>2505 Jun 2006 Proctor</p> <p>2505 Jun 2005 Wastling</p> <p>2505 Jan 2005 Gwilliam</p> <p>2502 Jan 2002 George Edwards</p>	<p>Initial questions should not include manufacturing profit</p> <p>It is useful to link changes in the provision for doubtful debts to help understanding of this aspect</p>

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	9-11 hours	<b>Topic Area</b>	The Preparation of Final Accounts for Limited Companies: Cash Flow Statements	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>	<b>Suggested resources</b>	<b>Points to note</b>	
Cash Flow Statements	<ul style="list-style-type: none"> <li>• Purpose of Cash Flow Statements</li> <li>• Format and explanation of Cash Flow Statements</li> <li>• Stages in the preparation of Cash Flow Statements</li> <li>• Preparation of Cash Flow Statements</li> <li>• Analysis of Cash Flow Statements</li> </ul>	<p>Izhar and Hontoir Accounting, Costing and Management</p> <p>Blackwood Accounting for Business</p> <p>2505 Jun 2007 Lister 2505 Jun 2006 Kinghorn 2505 Jan 2005 Kimmitt 2505 Jun 2002 Sharma</p>	<p>Reconstruction of Appropriation Accounts to calculate net profit</p> <p>Reconstruction of ledger accounts for fixed assets, depreciation and disposals</p> <p>Checking of bank movement from two Balance Sheets</p> <p>Different formats are acceptable in line with good accounting practice</p>	

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	8-10 hours	<b>Topic Area</b>	Financing: Accounting for Changes in Capital Structure	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>		<b>Suggested resources</b>	<b>Points to note</b>
Types of Share Capital	<ul style="list-style-type: none"> <li>• Explanation of authorised, issued and called-up share capital</li> <li>• Explanation of rights and bonus issues</li> <li>• Stages involved in the issue of shares, including ledger entries and journals</li> <li>• Balance Sheet changes following the issue of shares</li> </ul>		Frank Wood A Level Accounting  F013 Specimen Bounty 2505 Jan 2007 Ponting 2505 Jan 2006 Hilgerson 2505 Jun 2004 Strange 2505 Jun 2003 Soundworks 2505 Jun 2002 Anderson	Memorandum of Association  Return of monies to unsuccessful applicants  Retention of monies to set off against allotments  Bonus issue does not involve cash



# Accounting H401: Company Accounts and Interpretation F004

Suggested teaching time	8-10 hours	Topic Area	Analysis and Interpretation of Accounts	
Topic	Suggested teaching and homework activities	Suggested resources	Points to note	
Users of Corporate Reports	<ul style="list-style-type: none"> <li>Different user groups and their requirements</li> </ul>	Frank Wood A Level Accounting  Tony Blackwood Accounting for Business  Rob Jones Business Accounting  Izhar and Hontoir Accounting, Management and Costing  F013 Specimen Rose 2505 Jun 2007 Crossan 2505 Jan 2006 Hempinstall 2505 Jun 2005 Scholey 2505 Jun 2005 Woodman 2505 Jan 2005 Marshall 2505 Jun 2004 Pyne and Newbould 2505 Jun 2003 Davey and Bod	This topic is usually assessed as a section within a question  The topics in this section may overlap within a question	
Calculation of Ratios	<ul style="list-style-type: none"> <li>Calculation of ratios to assess profitability, liquidity, capital structure and investment</li> </ul>		This builds on some of the ratios covered in unit F012  Ratios should be correctly expressed	

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	8-10 hours	<b>Topic Area</b>	Analysis and Interpretation of Accounts	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>	<b>Suggested resources</b>	<b>Points to note</b>	
Analysis and Interpretation of Accounting Information	<ul style="list-style-type: none"> <li>• Analysis and interpretation of accounting information</li> </ul>			
Purposes and Limitations of Ratios	<ul style="list-style-type: none"> <li>• Apply ratios to appraise performance</li> <li>• Limitations of ratio analysis</li> </ul>			
Limitations of Accounting Information	<ul style="list-style-type: none"> <li>• Limitations of accounting information</li> </ul>			

## Accounting H401: Company Accounts and Interpretation F004

<b>Suggested teaching time</b>	2-3 hours	<b>Topic Area</b>	The Role of Accounting Standards: The Purposes of Accounting Standards & Standards	
<b>Topic</b>	<b>Suggested teaching and homework activities</b>		<b>Suggested resources</b>	<b>Points to note</b>
Concepts	<ul style="list-style-type: none"> <li>Recap of concepts covered during the AS specification</li> </ul>		Frank Wood A Level Accounting  F004 Specimen Larch 2505 Jan 2007 Agrawel	Concepts may apply throughout the specification
Purposes	<ul style="list-style-type: none"> <li>Discuss the purposes of accounting standards</li> </ul>			
Types	<ul style="list-style-type: none"> <li>Outline the standards covering:               <ul style="list-style-type: none"> <li>- Stocks</li> <li>- Research and Development</li> <li>- Tangible Fixed Assets</li> <li>- Accounting Policies</li> </ul> </li> </ul>			Only the standards stated in the specification may be examined  A general rather than detailed knowledge is required