

## UNIT 4 Control Accounts

**Recommended Prior Knowledge** Students need a thorough understanding of the structure and relationships of the books of original entry, the ledgers and double entry.

**Context** There are various checking mechanisms used in accounts such as bank reconciliation and trial balance. Control accounts are another which focus on credit sales and credit purchases.

**Outline** This Unit covers a single topic of control accounts which often take some time to understand but are a key interim stage, like trial balances, in the preparation of final accounts.

Syllabus Ref.	Learning Outcomes	Suggested Teaching Activities	Online Resources	Other resources
2.5	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>• explain that control accounts are an independent check on the sales and purchases ledgers</li> <li>• explain that control accounts may be used to provide totals of debtors and creditors, locate errors and act as a deterrent against fraud</li> <li>• identify and use the books of prime entry as sources of information for the control account entries</li> </ul>	<p>Students often struggle with this topic, perhaps because it appears rather abstract. The teaching can be made more concrete by drawing on earlier studies. Take three examples of sales invoices. Show how they are recorded in the books of original entry. By then introducing a sales return for one of the original sales transactions and then taking two of the transactions through to conclusion (both being paid through the bank and one including discount allowed) much of the information is available to show how and from what information:</p> <ol style="list-style-type: none"> <li>1) the sales ledger control account (SLCA) is prepared and</li> <li>2) how the SLCA is reconciled against the total balances of the debtors in the sales ledger.</li> </ol>	<p><a href="http://www.accaglobal.com/publications/studentaccountant/11468?session=ffffffeffffff">http://www.accaglobal.com/publications/studentaccountant/11468?session=ffffffeffffffc28288ca40a137f0d9a9c4f8c6ad2017d5a4837ffa10d34f</a></p> <p><a href="http://www.bized.ac.uk/stafsu/p/options/accounting/mod2_t_control.htm">http://www.bized.ac.uk/stafsu/p/options/accounting/mod2_t_control.htm</a></p> <p><a href="http://www.bized.ac.uk/stafsu/p/options/accounting/mod2_w_control.htm">http://www.bized.ac.uk/stafsu/p/options/accounting/mod2_w_control.htm</a></p> <p><a href="http://teachers.cie.org.uk/teacher_support/pdf/7110_w02_qp_2.pdf">http://teachers.cie.org.uk/teacher_support/pdf/7110_w02_qp_2.pdf</a></p>	<p><b>BKA 23</b> <b>IGSCE 14</b> <b>BM 24, 25</b></p> <p><b>CIE Nov 2002 Paper 2 Q4</b></p>

Syllabus Ref.	Learning Outcomes	Suggested Teaching Activities	Online Resources	Other resources
2.5	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>enter the following items into the relevant control account: sales and purchases, receipts and payments, discounts, returns, bad debts, bad debts recovered, dishonoured cheques, interest on overdue accounts, contra entries, refunds, opening and closing balances (debit and credit within each account)</li> </ul>	<p>Steady progression increasing the amount of information and moving from the concrete (based on transactions and invoices) to the more abstract (balances of various accounts given in list form) can then be used to prepare students for the type of question they will meet in the examination.</p> <p>Plenty of practice and checking understanding by asking for explanation of entries should enhance and reinforce knowledge and understanding.</p>	<p><a href="http://accounting10.tripod.com/Slides17.1.ppt">http://accounting10.tripod.com/Slides17.1.ppt</a></p> <p><a href="http://teachers.cie.org.uk/teacher_support/pdf/7110_w03_qp_1.pdf">http://teachers.cie.org.uk/teacher_support/pdf/7110_w03_qp_1.pdf</a></p> <p><a href="http://www.accaglobal.com/publications/studentaccountant/172482?session=ffffffefffffffc28288ca40a137f0d9a9c4f8c6ad2017d5a4837ffa10d34f">http://www.accaglobal.com/publications/studentaccountant/172482?session=ffffffefffffffc28288ca40a137f0d9a9c4f8c6ad2017d5a4837ffa10d34f</a></p> <p><a href="http://teachers.cie.org.uk/teacher_support/pdf/7110_w01_qp_2.pdf">http://teachers.cie.org.uk/teacher_support/pdf/7110_w01_qp_2.pdf</a></p>	<p><b>CIE</b> Nov 2003 Paper 1 Q18, 19, 20,</p> <p><b>CIE</b> Nov 2001 Paper 2 Q3</p>