

## SUMMARY OF CHANGES TO 7110 SYLLABUS FOR 2008

Some of the items come in different sections or sub-sections. The changes to topics are summarised as follows -

### Deletion

**Purchase of business**

### Additions

- 1.1 **Role of accounting**  
Whole section
- 1.2 **Double entry system of bookkeeping**  
explain meaning of assets, liabilities and owner's capital  
explain and apply the accounting equation
- 1.7 **The ledger**  
Explain and interpret ledger accounts prepared using the running balance method
- 4.1 **Preparation of final accounts**  
explain the difference between a trading and service business  
prepare profit and loss accounts and balance sheets for service businesses
- 4.2 **Partnership**  
explain the advantages and disadvantages of forming a partnership  
explain the purpose of an appropriation account  
explain the uses of and differences between capital and current accounts
- 4.3 **Clubs and societies**  
calculate the accumulated fund
- 4.5 **Limited liability companies**  
explain general reserve and retained profits/profit and loss account
- 4.6 **Manufacturing accounts**  
prepare the balance sheet of a manufacturing business
- 5.1/5.2 **Payroll accounting**
- 6.1 **Financial relationships**  
compute and explain the importance of working capital ratio (current ratio) and quick ratio (acid test)
- 6.2 **Accounting principles**  
explain and recognise the application of the following principle/concept in the compilation of final accounts – consistency  
recognise the influence of international accounting standards  
explain the importance of professional ethics in accounting