

**Accounting
A-level****Introduction**

Welcome to your A-level Accounting course. This Introduction should provide you with all the information you need to make a successful start to your studies.

The Specification (or Syllabus)

This course has been designed to give you a full and thorough preparation for the new AS and A-level Accounting specifications, set by the Assessment and Qualifications Alliance (AQA).

The **Subject Code** for entry to the AS level award is **7126**.

The **Subject Code** for entry to the A-level award is **7127**.

There is no coursework for the AS and A-level Accounting examinations.

Private Candidates

The AQA specification is open to private candidates. Private candidates should contact AQA for a copy of '*Information for Private Candidates*'.



Oxford Open Learning

Arrangement of Lessons

Year One (AS course)

Lesson Number	Module One: Financial Accounting	Reading Cox Yr 1
1	Introduction and Overview	5-6, 41-59, 104-115, 116-133, 72-75, 96-100, 154-163, 243-47
2	The Role of the Accountant in Business	2-4, 10-11, 241-242
3	Types of Business Organisation	236-239
4	The Double Entry Model	3, 16-17, 18-20, 25-27, 28-36, 37-40, 141, 292-294
5	Balancing Accounts	60-68, 72-83, 96-103
Tutor-marked Assignment A		
6	Preparation of Income Statements and Statements of Financial Position	134-143, 144-153
7	Verification of Accounting Records	158-165, 166-177, 178-184, 185-199
TMA B		
8	Accounting Concepts used in the Preparation of Accounting Records	252-260
9	Use of Computers and Social Accounting	(58-67 of Year 2 book)
TMA C		
10	The Trial Balance	(63-68)
11	Statements of Financial Position and Income Statements of Sole Traders	200-210, 211-232, 234-235, 269-273, 277-281, 295-307
TMA D		
12	Capital Structure of Limited Liability Companies	308-310, 316-319
13	Preparing Limited Company Final Accounts	311-319
14	Limitations of Published Accounts	345-346
TMA E		
Module Two: Accounting for Analysis and Decision-Making		
15	Ratio Analysis	328-329, 335-346
16	Budgeting and Budgeting Control	354-358
17	Cash Flow Statements	334
18	Marginal Costing and Contribution	372-377, 385-391
19	Break-Even Analysis	378-384, 392-416
TMA F		
Practice AS Exam Paper (TMA G)		

Year Two (2nd half of A-level course)

Module Three: Further Aspects of Financial Accounting

Reading
Cox Yr 2

20	Absorption, Marginal Costing & ABC	244-249, 250-256, 262-263, 270-285, 286
21	Standard Costing and Variance Analysis	300-306, 308-313, 314-317, 318-320, 321-328
22	Capital Investment Appraisal: Other Factors	330-338, 340-343, 345-352
23	Budgeting: Further Considerations	215-222, 229-232, 233-243
	TMA H	
24	Inventory Stock Valuation	(216-230)
25	Valuation of Assets	98-101

TMA I

Module Four: Further Aspects of Accounting for Analysis and Decision-Making

26	Published Company Accounts	1-6, 8-15, 18-19, 112-118, 120-127, 130, 136-140, 146-165
27	Corporate Report Requirements	174-175
	TMA J	
28	Incomplete Records	22-26, 28-30, 37-40, 41-44, 45-57.
29	Partnership Accounts	68-99, 102-111
	TMA K	
30	Ratio Analysis	166-167, 168-171, 176, 177-187
	TMA L	
31	Accounting Standards and Ethics	7, 16-17, 20, 189-193, 196-203, 204-214

TMA M

Practice AQA A-level Accounting Exam Paper 1 (**TMA N**)

Practice AQA A-level Accounting Exam Paper 2 (**TMA O**)

Textbooks

The following textbook required for use with the 1st Year (AS) course is:

David Cox, *Accounting for AQA: AS and A-level Year 1*
Pub. Osborne (2017), ISBN-13: 978-1911198123

The following textbook required for use with the 2nd Year course is:

David Cox, *Accounting for AQA: A-level Year 2*
Pub. Osborne (2018), ISBN-13: 978-1911198253

These books are the primary accompaniment to the OOL course. They contain several chapters designed to prepare candidates for the more modern specifications requiring an outline knowledge of interpretation, discounting techniques, budgetary control and costing.

'General' reading is specified on the first page of each lesson. Within the lesson, you will find more specific page references for that section of the lesson. It is important that you complete this reading and associated exercises as it will give you two chances to understand and practise the required topics and skills.

Supplementary Reading

No single textbook is really sufficient in itself. You should cultivate the habit of using your local library and consulting other textbooks. This does not mean that other textbooks are to be read as a whole. Rather they are to be consulted as supplementary reading in special topics.

Authors have different methods of explaining rules and procedures. Often, a variation in presentation clears up what had been previously ambiguous. Occasionally, a particular topic is dealt with too cursorily for certain examination requirements, and additional reading becomes essential. At this stage of study, you may find the following reading list useful.

General Accounting Principles

Phil Stone: <i>Understanding Financial Accounts</i>	How to Books.
Colin Barrow & J.A. Tracy: <i>Understanding Business Accounting for Dummies</i>	John Wiley.
Peter Atrill & E.J. McLaney: <i>Accounting and Finance for Non-Specialists</i>	Prentice-Hall.

Interpretation

Alan Sugden et al: *Interpreting Company Reports and Accounts*
Prentice-Hall.

Costing

Colin Drury: *Management and Cost Accounting* Thomson Learning.

Financial Accounting

Jennifer Maynard: *Financial Accounting, Reporting and Analysis*
OUP, 2017.

Barry J. Elliott: *Financial Accounting and Reporting* Prentice-Hall

Using the Course Materials

The course must be viewed as a complete entity of which the various activities, Self-assessment Tests and Tutor-marked Assignments (TMAs) form an integral part.

At the end of each lesson you will find a self-assessed Practice Test (SAT). As far as possible you should attempt these tests without referring to the lesson notes or textbooks, but when you find a question very difficult then make use of the lesson notes, books etc., before referring to the suggested answers. A vital aspect of your studies is understanding the material. Never leave a lesson part understood — Accountancy is a developing subject and lack of understanding will handicap your progress. Your answers to the Practice Tests should *not* be sent to your tutor for assessment.

At specified stages in the course you will be required to tackle Tutor-marked Assignments. As the name suggests, your answers to them should be sent to your tutor. If possible, you should treat the tests as “Mock Examinations” and attempt them without reference to lesson notes, book, etc. Each module concludes with an assignment which covers the module as a whole and reflects the style and content of the exam you will face. The aim of the tests is to give you practice at working under examination conditions and to allow your tutor to make his or her own assessment of your progress. Suggested answers will be sent to you with your marked work.

If you should encounter particular problems when studying a lesson then contact your tutor. Include your workings in any enquiry you send to your tutor, as he or she will then be able to see the nature of your difficulty.

The A-level System and Examination Structure

This information is correct at the time of publication but may be subject to change. Prior to the examination, students should contact the exam board for the latest information.

AS level (AQA specification 7126)

The first half of this course is designed to match the requirements of the AQA 7126 AS specification. Please note that this examination is an entirely separate qualification from the A-level. Marks/grades from the AS exam are *not* carried forward to the A-level specification. But all the AS content is required for the A-level. If you are going on to the full A-level, the AS exams might be regarded as useful practice but they are not compulsory.

The AS qualification, unlike the full A-level, will be graded on a five-point scale: A, B, C, D and E. There is no A* at AS.

The AS subject content is under 10 headings:

1. An introduction to the role of the accountant in business (page 9 of the specification)
2. Types of business organisation (page 9)
3. The double entry model (page 10)
4. Verification of accounting records (page 12)
5. Accounting concepts used in the preparation of account records (page 13)
6. Preparation of financial statements of sole traders (page 14)
7. Limited company accounts (page 15)
8. Analysis and evaluation of financial information (page 16)
9. Budgeting (page 16)
10. Marginal costing (page 17)

Paper 1

The one and only AS level exam paper assesses Sections 1–10 of the subject content.

Written exam: 3 hours 120 marks 100% of AS

There are three compulsory sections:

- Section A has 10 multiple choice questions and short answer questions. The section is worth 25 marks.
- Section B has four structured questions. The section is worth 55 marks.
- Section C has two extended answer questions each worth 20 marks. The section is worth 40 marks.

A-level (AQA specification 7127)

This course, as a whole, is designed to match the requirements of the AQA 7127 specification. Assessment consists of two written papers. Each exam paper is 3 hours long.

The full A-level qualification is graded on a six-point scale: A*, A, B, C, D and E.

The A-level subject content is under 18 headings, the first 10 of which are the same as for the AS:

1. An introduction to the role of the accountant in business (page 9 of the A-level specification)
2. Types of business organisation (page 9)
3. The double entry model (page 11)
4. Verification of accounting records (page 13)
5. Accounting concepts used in the preparation of accounting records (page 14)
6. Preparation of financial statements of sole traders (page 15)
7. Limited company accounts (page 16)
8. Analysis and evaluation of financial information (page 17)
9. Budgeting (page 17)
10. Marginal costing (page 18)
11. Standard costing and variance analysis (page 19)
12. Absorption and activity-based costing (page 20)
13. Capital investment appraisal (page 20)
14. Accounting for organisations with incomplete records (page 21)
15. Partnership accounts (page 22)
16. Accounting for limited companies (page 22)
17. Interpretation, analysis and communication of accounting information (page 23)
18. The impact of ethical considerations (page 24)

Paper 1

Paper 1 assesses Sections 1–8, 14–18 of the subject content.

Written exam: 3 hours 120 marks 50% of A-level

There are three compulsory sections for Paper 1:

- Section A has 10 multiple choice questions and several short answer questions. The section is worth 30 marks.
- Section B has two structured questions each worth 20 marks. The section is worth 40 marks.
- Section C has two extended answer questions each worth 25 marks. The section is worth 50 marks.

Paper 2

Paper 2 assesses Sections 1–3, 8–13, 17–18 of the subject content. It follows the same pattern as Paper 1.

Written exam: 3 hours 120 marks 50% of A-level

So there are also three compulsory sections for Paper 2:

- Section A has 10 multiple choice questions and several short answer questions. The section is worth 30 marks.
- Section B has two structured questions each worth 20 marks. The section is worth 40 marks.
- Section C has two extended answer questions each worth 25 marks. The section is worth 50 marks.

Use of Calculators in the Examination Room

These are permitted by the AQA. For any other examinations, you should check with the appropriate specification.

AQA Aims

The aims of this course are the same as the aims listed in the AQA specification. Please refer to the AQA website for full details. The stated aims for this subject are for the student to develop:

- understand the role and develop the skills of the accountant in developing and evaluating accounting information systems and in preparing financial and management accounting information
- apply the principles and techniques of accounting in the preparation of financial and management accounting information including using the double entry model to: record transactions; prepare financial statements for different types of organisations; and prepare management accounting information to enable management to plan, control and make decisions
- analyse and evaluate a range of financial and management information and communicate the outcomes numerically and verbally
- evaluate the impact of ethical considerations on the accountant and the duty to be truthful and accurately represent the facts when preparing and presenting accounting information, undertaking financial decision making and addressing the concerns of stakeholders
- develop the ability to solve problems logically, analyse data methodically, make reasoned and justified decisions and use different reporting methods to communicate these to stakeholders.

Assessment Objectives

The exams will measure how students have achieved the following assessment objectives:

- AO1:** Demonstrate knowledge and understanding of accounting principles, concepts and techniques (approximately 25% of overall marks).
- AO2:** Apply knowledge and understanding of accounting principles, concepts and techniques (approximately 34% of overall marks).
- AO3:** Analyse and evaluate accounting data to present information, make judgements and draw conclusions (approximately 41% of overall marks).

All three AOs apply (in the same proportions) to both the A-level exam papers.

Further Guidance

Currency figures in this course are all quoted in U.K. currency. If you are studying outside the United Kingdom you should remember that although your local currency may well be different the accounting principles involved are identical. It is also possible that some other figures, e.g. cost of living figures, may bear no relation to the cost of living that you experience. Thus the course may quote the price of cars as being £3,000-£5,000. It is possible that cars where you live cost more or less than these figures. However, the important point is the underlying principle of the entry rather than the actual values.

One other point to remember if you are studying outside the United Kingdom is that the course is based on English Company Law. When you come to the lessons dealing with Published Accounts you will need to bear in mind that the legal requirements of your country may be different. English Law now conforms closely to European Law on disclosure, and most countries are calling for similar information. For most students a general knowledge of disclosure requirements under English Law is all that is required.

International Financial Reporting Standards (IFRSs)

The course makes full use of international terminology as set out in the IFRS'. Page VII of the Cox Year 1 textbook (2017) highlights the current and the previous terminology which you should become familiar with.

Studying the Syllabus

You should be sure to acquire your own copy of the syllabus, either via the AQA Publications Dept or from the website www.aqa.org.uk.

The syllabus (specification) can be purchased from

AQA Publications
Unit 2, Wheel Forge Way,
Trafford Park
Manchester M17 1EH (tel: 0870-410-1036)

or downloaded from

<https://www.aqa.org.uk/subjects/accounting/as-and-a-level/accounting-7127>

We advise that you obtain a copy of the syllabus so that you can assess which topics you have covered in the most detail and which ones you will feel happiest about in the exam. AQA can also provide advice booklets on your course, including ‘Supplementary Guidance for Private Candidates’. As you approach the examination, it will also be helpful to purchase and tackle past papers from AQA.

Using the Internet

All students would benefit from access to the Internet. You will find a wealth of information on all the topics in your course. As well as the AQA website (www.aqa.org.uk), you should get into the habit of checking the Oxford Open Learning site (www.ool.co.uk) where you may find news, additional resources and interactive features as time goes by. Put it on your Favourites list now!

You should also aim to become familiar with the companion website for Wood’s textbooks at www.booksites.net/wood.

Good luck!

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