

**Dawood Public School**  
**Course Outline 2020-21**  
**Cambridge O Level Accounting 7707**  
**Grade X**

**Course Books:**

Wood, Frank, Business Accounting, FT Pitman Publishers

<b>Month</b>	<b>Content</b>
<b>August</b>	Revision of Books of Original Entry Control Accounts
<b>September</b>	Irrecoverable debts and provision for doubtful debts. Depreciation of fixed assets: nature and calculation
<b>October</b>	Double entry records for depreciation Accruals and prepayments and other adjustments for financial statements Final Accounts with adjustments
<b>November</b>	Revision
<b>December</b>	Mid Year Examination
<b>January</b>	Review of errors not affecting trial balance Suspense Accounts
<b>February</b>	Accounting Concepts Revision
<b>March</b>	Mocks/Final Examination

All candidates enter for two papers – Paper1 and Paper 2.

## **SCHEME OF ASSESSMENT**

### **Paper 1 Multiple Choice**

This will consist of 35 Multiple Choice Questions testing the whole syllabus

### **Paper 2 Structured Written Paper**

Paper 2 will usually consist of 5 compulsory questions drawn from topics across the whole syllabus. Questions on Paper 2 may require completion of proformas and tables. All questions in paper 2 will carry equal marks i.e. 20 marks.

Candidates will write their answers in the question paper.

There will be no choice of question in either paper.

Paper 1 will be worth 30% of the final marks. Paper 2 will be worth 70% of the final marks.

The use of computerized accounting software is not required in the examination. An appreciation of the usefulness of computerized accounting systems in the preparation of accounting information is required.

## SYLLABUS CONTENT

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#### 1. Control Accounts

##### Learning Objectives

Students should be able to:

- Understand the purposes of purchases ledger and sales ledger control accounts
- Identify the books of prime entry as sources of information for the control account entries
- Prepare purchases ledger and sales ledger control accounts to include credit purchases and sales, receipts and payments, cash discounts, returns, irrecoverable debts, dishonoured cheques, interest on overdue accounts, contra entries, refunds, opening and closing balances (debit and credit within each account).

*Candidates do not need to prepare control accounts which are part of the double entry system.*

*Candidates do not need to reconcile control account balances with the sales and purchases ledger balances*

#### 2. Adjustments to Ledger Accounts (Adjustments for Provision of doubtful debts & irrecoverable accounts)

##### Learning Objectives

Students should be able to have an understanding and solve questions relating to:

- understand the meaning of irrecoverable debts and recovery of debts written off
- prepare ledger accounts and journal entries to record irrecoverable debts
- prepare ledger accounts and journal entries to record recovery of debts written off
- explain the reasons for maintaining a provision for doubtful debts
- prepare ledger accounts and journal entries to record the creation of, and adjustments to, a provision for doubtful debts.

#### 3. Accounting for Depreciation

##### Learning Objectives

Students should be able to:

- Define depreciation
- Explain the reasons for accounting for depreciation

- Name and describe the straight-line, reducing balance and revaluation methods of depreciation
- Prepare ledger accounts and journal entries for the provision of depreciation
- Prepare ledger accounts and journal entries to record the sale of non-current assets, including the use of disposal accounts.

#### **4. Accruals and Prepayments**

##### **Learning Objectives**

Students should be able to:

- Recognise the importance of matching costs and revenues
- Prepare ledger accounts and journal entries to record accrued and prepaid expenses
- Prepare ledger accounts and journal entries to record accrued and prepaid incomes

#### **5. Preparation of final accounts for Sole Trader**

##### **Learning Objectives**

Students should be able to:

- Explain the advantages and disadvantages of operating as a sole trader
- Explain the importance of preparing income statements and statements of financial position
- Explain the difference between a trading business and a service business
- Prepare income statements for trading businesses and for service businesses
- Understand that statements of financial position record assets and liabilities on a specified date
- Recognize and define the content of a statement of financial position: non-current assets, intangible assets, current assets, current liabilities, non-current liabilities and capital
- Understand the inter-relationship of items in a statement of financial position
- Prepare statements of financial position for trading businesses and service businesses
- Make adjustments for provision for depreciation using the straight line, reducing balance and revaluation methods
- Make adjustments for accrued and prepaid expenses and accrued and prepaid income
- Make adjustments for irrecoverable debts and provisions for doubtful debts
- Make adjustments for goods taken by the owner for own use.

## **6. Correction of Errors**

### **Learning Objectives**

Students should be able to:

- Correct errors by means of journal entries
- Explain the use of a suspense account as a temporary measure to balance the trial balance
- Correct errors by means of suspense accounts
- Adjust a profit or loss for an accounting period after the correction of errors
- Understand the effect of correction of errors on a statement of financial position.

## **7. Accounting Principles and Policies**

### **Learning Objectives**

Students should be able to explain and recognize the application of the following accounting principles:

- matching business entity, consistency, duality, going concern, historic cost, materiality, money measurement, prudence, realization

Students should be able to recognize the influence of international accounting standards and understand the following objectives in selecting accounting policies:

- comparability, relevance, reliability, understandability