

## **A Level Accounting – AQA**

### **Curriculum Content**

|                                 | <b>Year 12</b>   | <b>Year 13</b>  |
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| <b>Summer 2<br/>(Roll over)</b> |  | <p><b><u>3.13 Capital investment appraisal</u></b></p> <ul style="list-style-type: none"> <li>• Payback and net present value (discounted cash flow) of a capital project.</li> <li>• The benefits and limitations of the payback and net present value methods of capital investment appraisal.</li> <li>• The use of capital appraisal measures in the evaluation of projects (INTRO).</li> </ul> <p><b><u>3.17 Interpretation, analysis and communication of accounting information</u></b></p> <ul style="list-style-type: none"> <li>• How accounting techniques, measures and ratios are used to analyse and interpret accounting information (both financial and management) and the limitations of using financial statement and ratio analysis when assessing business performance.</li> <li>• How performance is evaluated both internally and across accounting periods and externally in comparison to competitors.</li> <li>• The difference between cash and profits and the effect of transactions on profitability and liquidity.</li> <li>• The interests of stakeholders and importance of effective communication to both internal and external stakeholders.</li> <li>• The critical assessment of recommendations and their impact on stakeholders, the local and national economy and the environment.</li> </ul> |
| <b>Autumn 1</b>                 | <p><b><u>3.1 An Introduction to the role of an accountant</u></b></p> <ul style="list-style-type: none"> <li>• The responsibilities of the accountant within business.</li> <li>• The difference between financial accounting and management accounting and the purpose of each.</li> <li>• The role of the accountant in developing and overseeing accounting information systems to provide reliable and relevant information for both financial and management purposes.</li> </ul> <p><b><u>3.2 Types of business organisation</u></b></p> <ul style="list-style-type: none"> <li>• Types of business organisations including different business ownership models.</li> <li>• The associated benefits and risks and the impact on business reporting.</li> </ul> | <p><b><u>3.13 Capital investment appraisal</u></b></p> <ul style="list-style-type: none"> <li>• The use of capital appraisal measures in the evaluation of projects (CONTINUED).</li> </ul> <p><b><u>3.11 Standard costing and variance analysis</u></b></p> <ul style="list-style-type: none"> <li>• The purpose, advantages and disadvantages of a standard costing system.</li> <li>• Calculation and interpretation of variances.</li> <li>• The interrelationship between variances.</li> <li>• How to prepare statements and the use of accounting techniques to reconcile budgeted and actual figures.</li> </ul> <p><b><u>3.15 Partnership accounts</u></b></p> <ul style="list-style-type: none"> <li>• Prepare and comment on the financial statements of partnerships.</li> <li>• Prepare capital and current accounts of partners.</li> </ul>   |

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|  | <ul style="list-style-type: none"> <li>Sources of finance for different forms of business organisation and the risks related to those.</li> </ul> <p><b><u>3.3 The double entry model</u></b></p> <ul style="list-style-type: none"> <li>The double entry system including the recording of transactions from source documents in books of prime entry and ledger accounts; transferring accounts to income statements, balancing accounts and the preparation of statements of financial position.</li> <li>The recording of adjustments in ledger accounts and financial statements (INTRO).</li> <li>Prepare and understand accounting records based on source documents and use the main books of prime entry and ledger accounts.</li> <li>Apply the double entry model in the preparation of financial statements for a range of business organisations (INTRO).</li> <li>Prepare income statements (trading and profit and loss accounts) and statements of financial position (balance sheets) working from trial balances and additional information.</li> <li>Prepare statements of financial position (balance sheets) with subheadings.</li> <li>Make entries for simple adjustments for expense prepayments and accruals in ledger accounts and in income statements and statements of financial position (INTRO).</li> </ul> <p><b><u>3.6 Preparation of financial statements of sole traders</u></b></p> <ul style="list-style-type: none"> <li>The use of concepts in the preparation of financial statements.</li> <li>How to prepare financial statements of sole traders from ledger accounts including adjustments from the application of accounting concepts.</li> <li>How to prepare income statements and statements of financial position from a trial balance including adjustments from the application of accounting concepts.</li> </ul> <p><b><u>3.7 Limited company accounts</u></b></p> <ul style="list-style-type: none"> <li>How to prepare the internal financial statements of limited liability companies – all sections apart from types of profit – already covered (INTRO).</li> </ul> | <ul style="list-style-type: none"> <li>Account for changes in partnership.</li> </ul> |
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| <p><b>Autumn 2</b></p> | <p><b><u>3.3 The double entry model</u></b></p> <ul style="list-style-type: none"> <li>• The recording of adjustments in ledger accounts and financial statements (CONTINUED).</li> <li>• Apply the double entry model in the preparation of financial statements for a range of business organisations (CONTINUED).</li> <li>• Make entries for simple adjustments for expense prepayments and accruals in ledger accounts and in income statements and statements of financial position (CONTINUED).</li> <li>• Make entries for irrecoverable debts in the sales ledger and financial statements</li> <li>• Make entries for depreciation in the income statement and statement of financial position.</li> </ul> <p><b><u>3.5 Accounting concepts used in the preparation of accounting records</u></b></p> <ul style="list-style-type: none"> <li>• General accounting concepts.</li> <li>• The use of accounting concepts in a variety of situations.</li> </ul> <p><b><u>3.7 Limited company accounts</u></b></p> <ul style="list-style-type: none"> <li>• How to prepare the internal financial statements of limited liability companies – all sections apart from types of profit – already covered (CONTINUED).</li> </ul> | <p><b><u>3.12 Absorption and activity based costing</u></b></p> <ul style="list-style-type: none"> <li>• The use of absorption costing to calculate the total cost of a product.</li> <li>• The use of activity based costing (ABC) to calculate the total cost of a product.</li> <li>• Use of absorption and ABC to calculate the selling price of a product.</li> <li>• The benefits and limitations of absorption, ABC, marginal costing.</li> </ul> <p><b><u>3.16 Accounting for limited companies</u></b></p> <ul style="list-style-type: none"> <li>• The use of accounting techniques and principles when drafting financial statements for limited companies (based on IAS1).</li> <li>• Accounting for the revaluation of noncurrent assets.</li> <li>• The difference between the issue of shares, a rights issue and a bonus issue, and recording the effect of such transactions in financial statements.</li> <li>• The requirement to publish accounts and how these are used by a variety of stakeholders.</li> <li>• The purpose and importance of the international accounting standards framework.</li> <li>• The use of accounting techniques and principles when drafting financial statements for limited companies (based on IAS7).</li> </ul> |
| <p><b>Spring 1</b></p> | <p><b><u>3.4 Verification of accounting records</u></b></p> <ul style="list-style-type: none"> <li>• Verification of the double entry records.</li> <li>• How to correct errors in double entry records.</li> <li>• The effect of errors on profit calculations and statements of financial position.</li> <li>• The benefits and limitations of verification techniques.</li> </ul> <p><b><u>3.7 Limited company accounts</u></b></p> <ul style="list-style-type: none"> <li>• How to prepare the internal financial statements of limited liability companies – all sections apart from types of profit – already covered (INTRO).</li> </ul> <p><b><u>Review of topics covered to date.</u></b></p>  | <p><b><u>3.9 Budgeting</u></b></p> <ul style="list-style-type: none"> <li>• The need for budgeting in business organisations.</li> <li>• The benefits and limitations of budgeting and budgetary control.</li> <li>• The use of accounting techniques in the preparation and analysis of budgets (INTRO).</li> <li>• How budgets are used in planning and control and the calculation and interpretation of variances (INTRO).</li> </ul> <p><b><u>3.18 The impact of ethical considerations</u></b></p> <ul style="list-style-type: none"> <li>• The fundamental principles of ethical behaviour.</li> <li>• How the principles of ethical behaviour impact the behaviour of accounting professionals and organisations.</li> <li>• The legal and regulatory frameworks which relate to the accounting sector, the importance of working within regulatory guidelines and the consequences of failing to do so.</li> </ul>   |

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|          |  | <ul style="list-style-type: none"> <li>• The role of professional bodies in establishing and enforcing codes of conduct.</li> <li>• How to act ethically when working with clients, suppliers, colleagues and stakeholders and the importance of adhering to organisational and professional value, codes of practice and regulations.</li> <li>• Appropriate courses of action to take if there is a suspicion that an unethical or illegal act has been, or may be, committed by an employer, colleague or client.</li> </ul> <p><b><u>3.14 Accounting for organisations with incomplete records</u></b></p> <ul style="list-style-type: none"> <li>• The calculation of profit of an organisation where there are insufficient records to prepare income statements (INTRO).</li> <li>• How accounting techniques are applied in the preparation and analysis of financial statements for a business with incomplete records (INTRO).</li> <li>• The benefits and limitations of maintaining accounting records using different systems including single and double entry records (INTRO).</li> </ul> <p><b><u>Preparation for the Mock Exam Period.</u></b></p> |
| Spring 2 | <p><b><u>3.8 Analysis and evaluation of financial information</u></b></p> <ul style="list-style-type: none"> <li>• Calculation and interpretation of financial measures and ratios.</li> <li>• Appraising business performance by using financial statements and ratios.</li> <li>• The difference between cash and profits and the effect of transactions on profitability and liquidity.</li> <li>• The limitations of financial statements and ratio analysis when assessing business performance.</li> </ul> <p><b><u>3.9 Budgeting</u></b></p> <ul style="list-style-type: none"> <li>• The need for budgeting in business organisations.</li> <li>• The benefits and limitations of budgeting and budgetary control.</li> </ul> <p><b><u>3.10 Marginal Costing</u></b></p> <ul style="list-style-type: none"> <li>• Categorisation of costs by behaviour and understanding of terms.</li> </ul> <p><b><u>3.18 The impact of ethical considerations</u></b></p> <ul style="list-style-type: none"> <li>• The fundamental principles of ethical behaviour.</li> <li>• How the principles of ethical behaviour impact the behaviour of accounting professionals and organisations.</li> </ul> | <p><b><u>3.9 Budgeting</u></b></p> <ul style="list-style-type: none"> <li>• The use of accounting techniques in the preparation and analysis of budgets (CONTINUED).</li> <li>• How budgets are used in planning and control and the calculation and interpretation of variances (CONTINUED).</li> </ul> <p><b><u>3.14 Accounting for organisations with incomplete records</u></b></p> <ul style="list-style-type: none"> <li>• The calculation of profit of an organisation where there are insufficient records to prepare income statements (CONTINUED).</li> <li>• How accounting techniques are applied in the preparation and analysis of financial statements for a business with incomplete records (CONTINUED).</li> <li>• The benefits and limitations of maintaining accounting records using different systems including single and double entry records (CONTINUED).</li> </ul>   |

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|                 | <b><u>Exam preparation.</u></b>   |   |
| <b>Summer 1</b> | <b><u>3.10 Marginal Costing</u></b> <ul style="list-style-type: none"> <li>• Calculation and interpretation of breakeven point, interpreting break-even charts and the uses and limitations of breakeven analysis methods.</li> <li>• The use of marginal costing in decision making situations.</li> </ul> <b><u>3.13 Capital investment appraisal</u></b> <ul style="list-style-type: none"> <li>• The calculation and use of cash flows in capital investment appraisal (INTRO).</li> </ul> <b><u>Exam feedback.</u></b> | <b><u>Exam preparation and assessment techniques.</u></b> |

### **Skills**

The skills developed throughout the course include:

- Recalling detailed information accurately
- Knowledge and understanding of different financial and management accounting techniques and how these can be used in practice to ensure compliance with regulatory requirements and improve decision making in a range of different business environments.
- Applying knowledge and understanding of accounting principles procedures in a range of financial contexts.
- Analysing and evaluating the impact financial information can have on the decision making and subsequent success of a business.
- Making justified judgements with supported reasoning.
- Numeracy skills through the central role that calculations play in each topic of the course.
- Literacy skills through the effective presentation of information in an appropriate form enabling the reader to understand. Central to this is the use of accurate and appropriate terminology in line with newly updated accounting standards.
- Collaboration, communication and presentation skills through various group activities throughout the course content.
- Problem solving skills to ensure suitable advice can be provided to inform financial, management and operational decision making.

### **Assessment**

Internal formal assessment takes place in Year 12 (including the mock exams) and in Year 13 in line with the school assessment policy. There will also be a series of departmental assessments and homework tasks throughout Year 12 and 13 to support students and provide appropriate interventions where necessary. For the award of the qualification, this linear A Level from AQA is examined entirely by examination at the end of Year 13. There are two papers:

- Paper 1 – Financial Accounting (3 Hours)
- Paper 2 – Accounting for Analysis and Decision-making (3 Hours)

Both Paper 1 and Paper 2 are made up of multiple choice, mid-mark (ranged) responses and two extended answer questions linking to case studies. Papers 1 and 2 are equally weighted

Further details about the course can be found at: <https://www.aqa.org.uk/subjects/accounting/as-and-a-level/accounting-7127>

### **Year 12 Sequencing Rationale:**

The order of delivery in Year 12 Accounting assumes that there is no prior knowledge of the specific content involved. This is in line with the entry requirements and the varying starting points of the students taking the course. Links to previous learning focus on skills that may have been developed in other subjects that will provide students with the necessary skills to access the course, including the following elements:

- GCSE Business and other vocational courses including Business, Enterprise and Marketing (offered in KS4 at Gosforth) focus on basic financial measures of performance including Revenue, Profit and the (simplified) financial statements. Sources of finance, budgeting and types of business organisation are also covered in some courses at this level.
- Numeracy skills relating to the four key functions and the ability to manipulate numerical data (including calculating percentages). The ability to identify trends in numerical/financial data is also an expected pre-requisite.
- Literacy skills to be capable of presenting a balanced argument and reasoned judgement
- As a vocational, yet academic qualification, the students we teach are predominantly focused on a career in the financial sector. An interest in the wider business environment is common and usually a positive in understanding non-financial considerations examined in the Section C long-response questions.

Students are required to complete the Bridging Course and the attached Bridging Work to provide information about their current understanding of basic accounting techniques and content. The IJ Assessment allows for summative assessment of student engagement and to provide baseline data.

With two teachers completing the delivery, it is important that they teach the topics in a clear sequence to ensure that all elements can be accessed and build on previous knowledge. In this respect, the delivery of each Year 12 teacher focuses on one of the key elements of Accounting at different stages of the financial accounting process – the Financial Statements and Double Entry Bookkeeping. It is intended that each teacher completes this stage at approximately the same time, to allow the further aspects of the Year 12 content (primarily the verification of the accounting records and the analysis of performance based on this information) to be completed together.

Coordination of delivery should be discussed throughout. This delivery method allows for a full AS paper to be completed for Year 12 Mocks and external exams where appropriate.

### **Teacher 1 Sequencing Rationale:**

- Foundation and generic business contexts delivered first to provide students with the wider priorities of a business organisation.
- Double entry to start with sources documents, then books of prime entry then the double entry system. This follows the chronological order of the accounting process whilst dealing with transactions. This is in line with AQA expectations and supports student understanding of all stages of the process.
- Particular focus is placed on nominated elements of the process such as the Cash Book that can be examined discretely and also used for the Bank Reconciliation statement that comes later. Accounting Concepts need to be completed to support specific double entry tasks (including depreciation calculations for example) and also in line with Teacher 2 delivering the Financial Statement content.
- 3.4 Verification of Accounting Records aims to coincide with the delivery of this by Teacher 2, after the completion of the Financial Statement content (necessary prerequisite).
- 3.8 requires students to have a full understanding of the financial statements in order to apply the ratios and interpret in context as part of a wider question.
- Flexibility of support offered to each cohort with regards the preparation for Year 12 Mocks, feedback based on performance and consolidation tasks deemed necessary.

#### **Teacher 2 Sequencing Rationale:**

- The second part of the fundamental content (the Financial Statements) are introduced as the end point for the first stage of delivery for Teacher 1. This allows for greater perspective and awareness of the micro concepts.
- Vocabulary and key concepts are an important aspect to the early teaching with format and terminology critical to understanding the process and applying this to the required task.
- The delivery model ensures suitable opportunities for assessment of students and a separation of topics that avoids confusion and aiding organisation.
- A joining of the teaching is made to complete the 3.4 Verification of Accounting Records topic, enabling summarisation and the conclusion of this prior to the further topics.
- Teacher 2 then moves into Management Accounting (to continue into Year 13 delivery) offering further continuity of delivery.
- Flexibility of support offered to each cohort with regards the preparation for Year 12 Mocks, feedback based on performance and consolidation tasks deemed necessary.

#### **Year 12 End Points:**

Term 1 – Students will need to be able to:

- Apply the principles and techniques of accounting in the preparation of financial accounting information including using the double entry model to record transactions and prepare financial statements for different types of organisations.
- 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.

Term 2 – Students will need to be able to:

- Apply the principles and techniques of accounting in the verification of the accuracy of financial accounting information including using various methods of checking that accounts present a true and fair view.
- Analyse and evaluate a range of financial and management accounting information and communicate the outcomes numerically, verbally and in written reports. This will involve ratio analysis and the use of knowledge that has come before.
- Evaluate the impact of ethical considerations on the accountant.

Term 3 – Students will need to be able to:

- Further develop the ability to analyse and evaluate a range of financial and management accounting information and communicate the outcomes numerically, verbally and in written reports. This will involve building on previously covered principles relating to ratio analysis to extend and deepen the strength/scope of the findings.
- Apply a range of management accounting techniques to improve the information available for decision making in various scenarios.

### **Year 13 Sequencing Rationale:**

The fundamentals of the Double Entry System and the Financial Statements are expected to be in place at the end of the first year. Following the end of year assessments, the course splits into two discrete sections, each completed by one of the teaching team. These allow for the distinction to be made between the Management and the Financial Accounting aspects of the course – making it clearly differentiated between the two sections of the course.

### **Teacher 1 Sequencing Rationale:**

- Teacher 1 will focus on the Financial Accounting side of the course, starting with the Ratio Analysis extension that was completed prior to the Mock Exams in Spring Term 2. This offers continuity with what may be a second teacher and allows for the examination of the students using a topic that allows for both narrative and calculation elements to be assessed. This acts as a base line assessment opportunity for this teacher to understand progress made and areas requiring further development.
- Further aspects of the Ethical Considerations section is also delivered at this stage, as this allows a focus to be set on the development of answers using all exam skills and to ensure that students are aware of the various contexts that content may be applied to in the exam and in later study/employment.
- The Autumn term is then used to deliver the main content for the second year – Partnership Accounts, followed by Accounting for Limited Companies. These build on the content delivered in the first year. Specifically:



- Partnership Accounts focuses on the Capital section of the Statement of Financial Position (delivered in the Autumn Term of Year 12), but with key additions due to the ownership structure. This offers the starting point of a comparison that can be made with Limited Companies coming next.
- Accounting for Limited Companies is linked to the previous topic due to the capital funding theme throughout the two elements. This offers a contrast that can be used in narrative questions and to further develop understanding of the significance of capital structure to the accounts that are necessary.
- This is then completed with the most challenging content on the course with Incomplete Records being focused on the smallest businesses and requiring students to use autonomy to establish the best way to complete the task with the given information. This requires students to synthesise the information and compile a strategy to complete the task. This is done at this stage to build on the independent learning skills developed by this point.
- Interleaving with the Double Entry, Financial Statements and Control Account content from Year 12 is also necessary for this content to be completed. This comes at an opportune moment to ensure that knowledge is revisited (in a different context) to allow for memory and recall to be in place prior to the final revision period.

#### **Teacher 2 Sequencing Rationale:**

- Decision making is extended through Break Even Analysis and then to Marginal Costing during the Spring and Summer Terms. This completes the Year 12 content to allow for students wishing to leave after Year 12 to complete assessments.
- There is then a move to Capital Investment Appraisal – again focused on the skills of applying financial information to a decision involving financial and non-financial information.
- Evaluation and particularly modelling of key skills is employed extensively at this stage and contrasted to the financial and reporting content being completed with the other teacher.
- Costing Methods (Standard, Absorption and finally ABC) are then completed together one after another. Links and specific comparisons between are required and are easily understood with the proximity and development of topics.
- ABC specifically builds on Absorption Costing, using exactly the same techniques (splitting Direct/Indirect Costs) and the same terminology in the Allocation, Apportionment and Absorption being used in each.
- Again, the comparison of various techniques and an understanding of the benefits/limitations of each are necessary, but the comparison of these between costing methods can support more challenging questions/examples.
- Further aspects of budgeting are then revisited to allow interleaving and for students to complete an accessible topic to compliment the more challenging content on the other half of the delivery model (Incomplete Records).
- Cash Budgets are also particularly examinable, so this allows this topic to be revisited prior to the final assessments.

#### **Year 13 End Points:**

Term 1 – Students will need to be able to:

- Apply the principles and techniques of accounting in the preparation of management accounting information including using various costing methods that work to reduce costs and maximise profits.

- Evaluate the usefulness of costing information to specific business contexts.
- Apply the principles and techniques of accounting in the preparation of financial and management accounting information including preparing financial statements for partnerships; and prepare management accounting information to enable management to plan, control and make better decisions.

Term 2 – Students will need to be able to:

- Apply the principles and techniques of accounting in the preparation of financial and management accounting information including preparing financial statements for partnerships; and prepare management accounting information to enable management to plan, control and make better decisions.
- 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.

Term 3 – Students will need to be able to:

- Prepare fully for external exams and future study by equipping themselves with the knowledge required by systematic revision of content with the support of their teachers.