

IKAF BA1 Financial Accounting Syllabus and Study Guide

*Certified Advanced Bookkeeping Qualification Level
(Based on ACCA Certifications)*

This syllabus and study guide is designed to assist in teaching and learning, also is intended to provide detailed information on the qualification, module and study guide.

Qualification Structure

It explains the content of Advanced Bookkeeping Qualification Level, which also includes the Financial Accounting Module. Explains the connection of this module to other levels and modules of qualification; modules included at the specified level as well as membership criteria; as well as the characteristics of lectures that are held during the certification period. Modules and Qualifications are also presented through diagrams.

Module

It explains briefly the reasoning of the module's importance, the general and detailed objectives of the module and, also shows in the widest sense the skills that will be developed during the study of the module. The relation of the module to the other modules is presented through a diagram representing the links between them; in order to be as clear as possible for the reader. Also, topics that belong to the module are described; also, how the module's topics and subthemes are planned. Moreover, the form of examination and evaluation is explained in detail, what the exam will consider and why. In the end, the module's content is attached.

Syllabus Structure

It explains the syllabus content of the module Financial Accounting, part of the Advanced Bookkeeping Qualification Level. This module contains the main reasoning, aim, and capabilities expected to get learned during the course of the study. In addition, the syllabus includes the topics of the modules, the structure of the examination after the successful completion of the module as well as reading and scheduling the time.

Study Guide

This is the main document that students, education and content providers should use as the basis of their studies, instruction and materials. Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations

QUALIFICATION STRUCTURE

*Advanced Bookkeeping Qualification Level
(Based on ACCA Certifications)*

To work as a Bookkeeper, to act like professional and lead events in a company, you must be professionally certified by the accredited institutions, and this is already possible in Kosovo through the KAF Institute. People who aim to work in a bookkeeping role should have advanced booking knowledge and skills. Those skills are necessities to work in a bookkeeping profession or to have a progress in the accounting profession. This is why we are offering an Advanced Bookkeeping Certification and Training sessions: to ensure that students will gain knowledge and skills needed to carry out advanced bookkeeping transactions and tasks.

To get bookkeeping training you need to become a student member of IKAF. Membership is open to professionals who work in accounting and those who are interested in accounting as well.

Advanced Bookkeeping Candidates should also demonstrate knowledge of Financial Accounting Module.

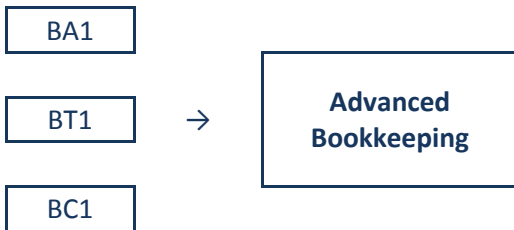


Diagram.1: *Advanced Bookkeeping Qualification Level*

Modules

Advanced Bookkeeping Qualification Level consists of four modules and is mandatory to pass all four in order to obtain the title:



Diagram.2: *Advanced Bookkeeping Qualification Level Modules*

QUALIFICATION AND MEMBERSHIP CRITERIA: Advanced bookkeeping

- To enroll as an IKAF student in the Advanced bookkeeping program, you must have at least a High School Diploma;
- One (1) year experience in accounting/finance - that can be acquired during or after the training;
- Have attended and passed three (3) certification exams for this purpose (Exam is passed if 50% of test points are reached) ;
- A person who has been certified in this qualification by IKAF and continues to have a regular membership status of the IKAF has the right to use the title "Advanced bookkeeper" by fulfilling all of the above criteria;
- Regular members of the IKAF to use the title "Advanced bookkeeper" are required to attend Continuing Professional Development (CPD) as defined in the IKAF Regulation.

Training Features:

- A Comprehensive review of modules and during the training, participants will be provided with case studies, exercises similar to exams, and mock exam.
- Trainers are holding professional qualifications, and well experience in their field
- Upon completion of this course, participants will be able to take the exams of modules at IKAF center.

SYLLABUS STRUCTURE

Rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Relational diagram linking modules

This diagram shows direct and indirect links between this exam and other exams preceding or following it. It indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall Aim

This explains briefly the overall objective of the syllabus and indicates in the broadest sense the capabilities to be developed within the exam.

Main Capabilities

The aim of the syllabus is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Topics

Certain topics that module contains and that will be treated during tuitions.

Examining Structure

This section briefly explains the structure of the examination and how it is assessed.

Annex: Detailed Syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

MODULE

This syllabus and study guide is designed to help with study planning and to provide detailed information on what could be assessed in any examination session.

Rationale

The syllabus for Financial Accounting introduces the candidate to the fundamentals of preparing and recording financial documentation from originating documents and processing ledger transactions up to the trial balance stage. The syllabus also introduces the context and purpose of maintaining financial records with reference to accounts preparation.

Financial Accounting

Diagram.1: Module

The syllabus covers relevant banking procedures associated with bookkeeping, maintaining and reconciling cash and petty cash records and preparing the journal and relevant control accounts and identifying and correcting errors. The syllabus then concentrates in depth on the double-entry system and on recording, processing, and reporting business transactions and events, including the specific accounting for non-current assets. The syllabus covers the use of the extended trial balance and how to identify and correct errors, including the reconciliation of the control accounts, and the posting of period end adjustments. The syllabus also covers the preparation of final accounts for some traders and for partnerships.

Aim

To develop knowledge and understanding of the main types of business transactions and documentation and how these are recorded in an accounting system up to the trial balance stage. Also to develop knowledge and understanding of the underlying principles and concepts relating to maintaining financial records and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements.

Main capabilities

- Types of business transactions and documentation
- Duality of transactions and the double entry system
- Banking system and transactions
- Payroll
- Ledger accounts
- Cash and Bank
- Sales and Credit transactions
- Purchases and Credit transactions

- Preparing the trial balance
- Reconciliation
- Explain generally accepted accounting principles and concepts
- Outline the principles and process of basic bookkeeping
- Preparing journals and ledger accounts
- Record transactions and events
- Prepare a trial balance (including identifying and correcting errors)
- Reconcile the control accounts and cashbook
- Extending the trial balance, yearend adjustments and final accounts
- Account for partnerships.

Topics

Major topics of Accountant in Business Module which will be covered over the training:

Types of business transactions and documentation
Duality of transactions and the double entry system
Banking system and transactions
Payroll
Ledger accounts
Cash and bank
Sales and credit transactions
Purchases and credit transactions
Reconciliation
Preparing the trial balance
Generally accepted accounting principles and concepts
Principles and process of basic bookkeeping
The preparation of journals and ledger accounts
Recording transactions and events
Preparing a trial balance and correcting errors
Reconciliations
Extending the trial

Diagram.2: Topics of Accountant in Business Module which will be covered over the training

The syllabus is assessed by a two-hour examination available in paper-based format. * All questions are compulsory. Some questions will adopt a scenario/case study approach. Candidates are provided with a formulae sheet.

Reading and Time Planning

For paper-based exams 15 minutes are added to the two hours to reflect the manual effort required. The total exam time is therefore two hours and 15 minutes. Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

The pass mark for all IKAF Qualification examinations is 50%.

Annex: Detailed Syllabus

DETAILED SYLLABUS

1 Types of business transactions and documentation

- 1.1 Types of business transaction
- 1.2 Types of business documentation
- 1.3 Process of recording business transactions within the accounting system

2 Duality of transactions and the double entry system

- 2.1 Books of prime entry
- 2.2 Double entry system
- 2.3 The journal
- 2.4 Elements of financial statements

3 Banking system and transactions

- 3.1 The banking process
- 3.2 Documentation

4 Payroll

- 4.1 Processing payroll transactions into the accounting system

5 Ledger accounts

- 5.1 Prepare ledger accounts

6 Cash and bank

- 6.1 Maintaining a cashbook
- 6.2 Maintaining a petty cashbook

7 Sales and credit transactions

- 7.1 Recording sales

- 7.2 Customer account balances and control accounts

8 Purchases and credit transactions

- 8.1 Recording purchases
- 8.2 Supplier balances and reconciliations

9 Reconciliation

- 9.1 Purpose of control accounts and reconciliation
- 9.2 Reconcile the cashbook
- 9.3 Reconcile the receivables control account
- 9.4 Reconcile the payables control account

10 Preparing the trial balance

- 10.1 Prepare the trial balance
- 10.2 Correcting errors

11 Generally accepted accounting principles and concepts

- 11.1 The key accounting principles and characteristics
- 11.2 Maintaining financial records
- 11.3 The regulatory framework

12 Principles and process of basic bookkeeping

- 12.1 The elements of financial statements
- 12.2 Books of prime entry and the flow of accounting information in the production of financial statements

13 The preparation of journals and ledger accounts

- 13.1 Preparation of journals from the books of prime entry
- 13.2 Preparation of ledger accounts

14 Recording transactions and events

- 14.1 Sales and purchases
- 14.2 Cash
- 14.3 Inventory
- 14.4 Tangible non-current assets and depreciation 5. Accruals and prepayments
- 14.5 Receivables, payables and provisions
- 14.6 Capital and finance costs

15 Preparing a trial balance and correcting errors

- 15.1 Trial balance
- 15.2 Correction of errors

16 Reconciliations

- 16.1 Control account reconciliations
- 16.2 Bank reconciliation

17 Extending the trial

- 17.1 Preparation of the extended trial balance
- 17.2 Preparation of the final accounts

18 Partnerships

- 18.1 Partnership agreement
- 18.2 Partnership accounting records
- 18.3 Partnership financial statements and change in partnership

STUDY GUIDE

A Types of business transactions and documentation

1 Types of business transaction

- Understand a range of business transactions including: [K] i) Sales ii) Purchases iii) Receipts iv) Payments v) Petty cash vi) Payroll
- Understand the various types of discount including, where applicable, the effect that trade discounts have on sales tax. [K]
- Describe the processing and security procedures relating to the use of: [K] i) Cash ii) Cheques iii) Credit and debit cards iv) Debit cards for receipts and payments and electronic payment methods

2 Types of business documentation

- Outline the purpose and content of a range of business documents to include but not limited to: [K] i) Invoice ii) Credit note iii) Remittance advice
- Prepare the financial documents to be sent to credit customers including: [S] i) Sales invoices ii) Credit notes iii) Statements of account
- Prepare remittance advices to accompany payments to suppliers. [S] D) Prepare a petty cash voucher including the sales tax element of an expense when presented with an inclusive amount. [s]

3 Process of recording business transactions within the accounting system

- Identify the characteristics of accounting data and the sources of accounting data records, showing understanding of how the accounting data and records meet the business' requirements. [K]

- Understand how users locate, display and check accounting data records to meet user requirements and understand how data entry errors are dealt with. [K]
- Outline the tools and techniques used to process accounting transactions and period-end routines and consider how errors are identified and dealt with. [K]
- Consider the risks to data security, data protection procedures and the storage of data. [K]
- Understand the principles of coding in entering accounting transactions including: [K] i) Describing the need for a coding system for financial transactions within a double entry bookkeeping system ii) Describe the use of a coding system within a filing system
- Code sales invoices, supplier invoices and credit notes ready for entry into the books of prime entry. [S]
- Describe the accounting documents and management reports produced by computerized accounting systems and understand the link between the accounting system and other systems in the business. [

B Duality of transactions and the double entry system

1 Books of prime entry

- Outline the purpose and content of the books of prime entry including their format. [K]
- Explain how transactions are entered in the books of prime entry. [K]
- Outline how the books of prime entry integrate with the double entry bookkeeping system [K]

- Enter transactions including the sales tax effect where applicable into the books of prime entry.[S]

2 Double entry system

- Define the accounting equation. [K]
- Understand and apply the accounting equation.[K]
- Understand how the accounting equation relates to the double entry bookkeeping system.[K]
- Process financial transactions from the books of prime entry into the double entry bookkeeping system.[S]

3 The journal

- Understand the use of the journal including the reasons for, content and format of the journal.[K]
- Prepare journal entries directly from transactions, books of prime entry as applicable or to correct errors.[S]

4 Elements of financial statements

- Define and distinguish between the elements of the financial statements.[K]
- Identify the content of a statement of financial position and statement of profit or loss and other comprehensive income.[K]

C Banking system and transactions

1 The banking process

- Explain the differences between the services offered by banks and banking institutions.[K]
- Describe how the banking clearing system works.[K]
- Identify and compare different forms of payment.[K] Outline the processing and security procedures relating to the use of cash, cheques, credit cards and debit

cards for receipts and payments and electronic payment methods.

2 Documentation

- Explain why it is important for an organisation to have a formal document retention policy. [K]
- Identify the different categories of documents that may be stored as part of a document retention policy.[K]

D Payroll

1 Processing payroll transactions into the accounting system

- Prepare and enter the journal entries in the general ledger to process payroll transactions including: i) Calculation of gross wages for employees paid by the hour, paid by output and salaried workers ii) Accounting for payroll costs and deductions iii) The employers' responsibilities for taxes, state benefit contributions and other deductions [S]
- Identify the different payment methods in a payroll system, e.g. cash, cheques, automated payment. [K]
- Explain why authorization of payroll transactions and security of payroll information is important in an organisation.[K]

E Ledger accounts

1 Prepare ledger accounts

- Enter transactions from the books of prime entry into the ledgers.[S]
- Record journal entries in the ledger accounts. [S]
- Balance and close off ledger accounts.[S]

F Cash and bank

1 Maintaining a cashbook

- Record transactions within the cashbook, including any sales tax effect where applicable. [S]
- Prepare the total, balance and cross cast cash book columns.[S]
- Identify and deal with discrepancies.

2 Maintaining a petty cashbook

- Enter and analyses petty cash transactions in the petty cash book including any sales tax effect where applicable.[S]
- Balance off the petty cash book using impress and non-impress systems. [S]
- Reconcile the petty cash book with cash in hand.[S]
- Prepare and account for petty cash reimbursement.[S]

G Sales and credit transactions

1 Recording sales

- Record sales transactions taking into account: i) Various types of discount ii) Sales tax iii) The impact on the sales tax ledger account where applicable.[S]
- Prepare the financial documents to be sent to credit customers.[S]

1 Customer account balances and control accounts

- Understand the purpose of an aged receivable analysis. [K]
- Produce statements of account to be sent to credit customers.[S]
- Explain the need to deal with discrepancies quickly and professionally.[K] Prepare the receivables control account or receivables ledgers by accounting for:[S] i) Sales ii) Sales returns iii) Payments from customers including

checking the accuracy and validity of receipts against relevant supporting information iv) Discounts v) Irrecoverable debt and allowances for irrecoverable debts including any effect of sales tax where applicable

H Purchases and credit transactions

1 Recording purchases

- Record purchase transactions taking into account: i) Various types of discount ii) Sales tax iii) The impact on the sales tax ledger account where applicable [S]
- Enter supplier invoices and credit notes into the appropriate book of prime entry. [S]

2 Supplier balances and reconciliations

- Prepare the payables control account or payables ledgers by accounting for: [S] i) Purchases ii) Purchase returns iii) Payments to suppliers including checking the accuracy and validity of the payment against relevant supporting information iv) Discounts

I Reconciliation

1 Purpose of control accounts and reconciliation

- Describe the purpose of control accounts as a checking devise to aid management and help identify bookkeeping errors. [K]
- Explain why it is important to reconcile control accounts regularly and deal with discrepancies quickly and professionally. [K]

2 Reconcile the cashbook

- Reconcile a bank statement with the cash book. [S]

3 Reconcile the receivables control account

- Reconcile the balance on the receivables control account with the list of balances.

4 Reconcile the payables control account

- Reconcile the balance on the payables control account with the list of balances.

J Preparing the trial balance

1 Prepare the trial balance

- Prepare ledger balances, clearly showing the balances carried down and brought down as appropriate. [S]
- Extract an initial trial balance.

2 Correcting errors

- Identify types of error in a bookkeeping system that are disclosed by extracting a trial balance.[K]
- Identify types of error in a bookkeeping system that is not disclosed by extracting a trial balance. [K]
- Use the journal to correct errors disclosed by the trial balance. [S]
- Use the journal to correct errors not disclosed by the trial balance. [S]
- Identify when a suspense account is required and clear the suspense account using the journal. [S]
- Redraft the trial balance following correction of all errors. [S]

K Generally accepted accounting principles and concepts

1 The key accounting principles and characteristics

- Explain the principles of accounting.[K] (i) Going concern (ii) Accruals (iii) Consistency (iv) Double entry (v) Business entity (vi) Materiality (vii)Historical cost

- Explain the qualitative accounting characteristics relating to.[K] (i) Relevance (ii) Faithful representation (iii) Comparability (iv) Verifiability (v) Timeliness (vi) Understandability

2 Maintaining financial records

- Explain the importance of maintaining financial records for internal and external use.[K]
- Describe the type of accounting records that a business should maintain and the main uses of each.[K]

3 The regulatory framework

- Describe the main requirements of accounting standards in relation to syllabus area D.

L Principles and process of basic bookkeeping

1 The elements of financial statements

- Explain the meaning of the accounting equation.[K]
- Describe the meaning of assets, liabilities and capital in an accounting context.[K]
- Describe the components of final accounts for a sole trader.[K]

2 Books of prime entry and the flow of accounting information in the production of financial statements

- Explain the purpose and use of books of prime entry and ledger accounts.[K]
- Identify reasons for closing off accounts and producing a trial balance.[K]
- Explain the process of preparing a set of final accounts from a trial balance.[K]

M The preparation of journals and ledger accounts

1 Preparation of journals from the books of prime entry

- Explain and illustrate the dual aspect convention. [S]
- Prepare journals to record transactions in an appropriate format.[S]

2 Preparation of ledger accounts

- Explain the purpose and use of ledger accounts.[K]
- Post journals and other entries into the appropriate ledger account.[S]
- Balance the ledger accounts carrying down and bringing down balances as appropriate. [S]

N Recording transactions and events

1 Sales and purchases

- Record sale and purchases transactions in ledger accounts. [S]
- Record sales and purchase returns. [S]
- Account for trade and settlement discounts. [S]
- Identify sources of information on sales tax and explain the relationship between the entity and the relevant government agency. [K]
- Explain the general principles of the operation of a sales tax including: [K] (i) requirements for registration (ii) main information to be included on business documentation, (iii) types of taxable supplies and their classification for sales tax (iv)accounting and payment of sales tax (v) penalties for late returns or late payment of sales tax.
- Explain the different methods of accounting for and reporting of sales tax. [K]

- Identify and obtain sales tax data from the accounting system. [S]
- Calculate sales tax on inputs and outputs. [S]
- Record the consequent accounting entries and calculate the sales tax due to/from the business. [S]
- Compute the main components of a sales tax return. [S]
- Communicate effectively with the relevant tax authority about sales tax matters including potential adjustments, errors or omissions. [S]
- Calculate the cash flow impact on the business of the payment of sales tax and the potential impact on the business of any changes in legislation for sales tax. [S]

2 Cash

- Record cash and bank transactions in ledger accounts. [S]
- Report cash and bank balances in the final accounts. [S]

3 Inventory

- Recognize the need for adjustments for inventory when preparing financial statements. [K]
- Record opening and closing inventory. [S]
- Identify and apply the alternative methods of valuing inventory. [K] Explain and apply the IASB requirements for valuing inventories. [S]
- Recognize which costs should be included when valuing inventories. [K]
- Explain the use of continuous and period end inventory records. [K]
- Calculate the value of closing inventory using FIFO (first in, first out) and AVCO (average cost) - both periodic weighted average and continuous weighted average. [S]
- Identify the impact of inventory valuation methods on profit, assets and capital,

including: [S] (i) periodic weighted average (ii) continuous weighted average (iii) FIFO i) Report inventory in the final accounts

4 Tangible non-current assets and depreciation

- Define non-current assets. [K]
- Recognize the difference between current and non-current assets. [K]
- Explain the difference between capital and revenue items. [K]
- Classify expenditure as capital or revenue expenditure. [S]
- Explain the impact of misclassification of capital expenditure as revenue expenditure and vice versa on the statement of profit or loss and the statement of financial position. [K]
- Prepare journal and ledger entries to record the acquisition and disposal of non-current assets (including part exchange).[S]
- Calculate and record profits or losses on disposal of non-current assets in the statement of profit or loss including part exchange transactions and scrapping of assets. [S]
- Explain the purpose of depreciation.
- Calculate the charge for depreciation using straight line and reducing balance methods. [S]
- Identify the circumstances where different methods of calculating depreciation would be appropriate.[K]
- Illustrate how the depreciation expense and accumulated depreciation are recorded in ledger accounts.[S]
- Explain the purpose and function of an asset register. [K] m) Prepare the non-current asset register accounting for all or part of the following: [S] (i) Acquisition including authorisation (ii) Part exchange

and cash non-current asset purchases (iii) Depreciation n) Identify and resolve any discrepancies relating to the accounting records for non-current assets. [S]

- Report non-current assets and depreciation in the final accounts.[S]

5 Accruals and prepayments

- Apply the matching concept to accruals and prepayments. [S]
- Identify and calculate the adjustments needed for accruals and prepayments when preparing financial statements. [S]
- Illustrate the process of adjusting for accruals and prepayments when preparing final accounts. [S]
- Prepare the journal entries and ledger entries for the creation of an accrual or prepayment. [S]
- Identify the impact on profit, net assets and capital of accruals and prepayments. [K]
- Report accruals and prepayments in the final accounts. [S]

6 Receivables, payables and provisions

- Explain and identify examples of receivables and payables. [K]
- Prepare the bookkeeping entries to write off an irrecoverable debt. [S]
- Record an irrecoverable debt recovered. [S]
- Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position. [S]
- Calculate the movement in the allowance for receivables and the closing balance
- Prepare the bookkeeping entries to create and adjust an allowance for receivables. [S]
- Illustrate how to include movements in the allowance for receivables in the

statement of profit or loss and how the closing balance of the allowance should be reported in the statement of financial position. [S]

- Account for contras between trade receivables and payables. [S]
- Explain the nature of provisions and liabilities.[K]
- Distinguish between a provision and liability.[S]
- Account for provisions and liabilities.[S]
- Report provisions and liabilities in the final accounts. [S]

7 Capital and finance costs

- Distinguish between capital injected by the business owner(s) and third parties for an unincorporated business. [K]
- Explain the accounting equation including the impact of changes in capital. [K]
- Prepare the capital ledger account for an unincorporated business.[S]

O Preparing a trial balance and correcting errors

1 Trial balance

- Explain the purpose of the trial balance. [K]
- Distinguish between errors which will be detected by extracting a trial balance and those which will not.[S]
- Calculate and explain the impact of errors on the statement of profit or loss and the statement of financial position. .[S] d) Identify the limitations of the trial balance.[K]
- Prepare the initial trial balance.[S]

2 Correction of errors

- Explain the purpose of, and reasons for, creating a suspense account.

- Identify different types of bookkeeping error including those that result in suspense accounts. [K]
- Identify and explain the action required to correct errors including clearing any suspense accounts. [K] D) Prepare correcting journal entries. [S]
- Record correcting entries in the ledgers. [S]
- Demonstrate how the final accounts are affected by the correction of errors. [S]
- Prepare reconciliation between the list of balances and the corrected ledger control accounts. [S]
- Identify the control account balance to be reported in the final accounts. [K]
- Prepare reconciliation between a supplier's statement and the supplier's account in the payables ledger.

P Reconciliations

1 Control account reconciliations

- Explain the purpose of reconciliation of the receivables and payables ledger control accounts. [K]
- Identify errors in the ledger control accounts and list of balances. [S]
- Make correcting entries in the ledger control accounts. [S] Prepare reconciliation between the list of balances and the corrected ledger control accounts. [S]
- Identify the control account balance to be reported in the final accounts. [K]
- Prepare reconciliation between a supplier's statement and the supplier's account in the payables ledger.

2 Bank reconciliation

- Explain the purpose of reconciliation between the bank ledger account and the corresponding bank statement.[K]

- Identify errors and omissions in the bank ledger account and bank statement.[K]
- Identify timing differences. [K]
- Make the correcting entries in the bank ledger account. [S]
- Prepare the reconciliation between the bank statement balance and the corrected bank ledger account.[S]
- Identify the bank balance to be reported in the final accounts. [K]

- Describe the circumstances which lead to incomplete records. [K]
- Describe the methods of constructing accounts from incomplete records. [K]
- Prepare the final accounts or elements thereof using incomplete record techniques such as: [S] (i) Mark ups and margins (ii) Ledger accounts to derive missing figures (iii) Manipulation of the accounting equation

Q Extending the trial

- 1 Preparation of the extended trial balance
 - Explain the process of extending the trial balance.[K]
 - Record the correction of errors on the extended trial balance. [s]
 - Explain and record post trial balance adjustments on the extended trial balance:[S] (i) Accruals and prepayments (ii) Depreciation (iii) Provisions (iv) Closing inventory (v) Allowance for receivables (vi) Irrecoverable debts (vii) Noncurrent asset transactions
 - Extend and complete the extended trial balance including calculating the final reported profit or loss. [S]
 - Prepare the opening trial balance for the next accounting period.[S]
- 2 **Preparation of the final accounts**
 - Explain the process of preparing a set of final accounts from a trial balance. [K]
 - Explain the format and purpose of the statement of profit or loss and statement of financial position for a sole trader. [K]
 - Prepare the final accounts for a sole trader from: [S] (i) The extended trial balance or (ii) Directly from ledger accounts or (iii) Trial balance

R Partnerships

- 1 Partnership agreement
 - Define a partnership. [K]
 - Explain the purpose and content of a partnership agreement. [K]
 - Explain, calculate and account for appropriations of profit: [S] (i) Salaries of partners (ii) Interest on drawings (iii) Interest on capital (iv) Share of residual profit (the amount of profit available to be shared between the partners in the profit or loss sharing ratio, after all other appropriations have been made)
- 2 Partnership accounting records
 - Explain the difference between partners' capital and current accounts. [K]
 - Prepare the partners' capital and current accounts.[S]
- 3 Partnership financial statements and change in partnership
 - Prepare the final accounts for a partnership. [S]
 - Explain and account for the admission of a new partner including the treatment of any goodwill arising. [S]
 - Note: Candidates will not be expected to calculate the value of goodwill