

**DAWOOD PUBLIC SCHOOL**  
**Course Outline for 2011-2012**  
**Principles of Accounts**  
**Class IX**

**Cambridge O Level Principles of Accounts**  
**Syllabus Code 7110**

**Course Books:**

1. Wood, Frank, *Business Accounting*, FT Pitman Publishers
2. Coucom, Catherine, *IGCSE Accounting*, Cambridge

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

**SCHEME OF ASSESSMENT:**

***Paper 1 Multiple Choice (1hour)***

This will consist of 30 items testing the whole syllabus.

***Paper 2 Structured Written Paper (2 hours).***

Paper 2 will usually consist of between 4 and 6 compulsory questions drawn from topics across the whole syllabus: one of these questions, carrying approximately one third of the marks for Paper 2, will involve the preparation of the final accounts of a manufacturing or trading business (the Manufacturing, Trading and Profit and Loss Account and the Balance Sheet). Questions on Paper 2 may require completion of preformed and tables.

Candidates will write their answers on the question paper.

There will be no choice of question on either paper.

Paper 1 will be worth 33.3% of the final marks. Paper 2 will be worth 66.6% 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 Aims and Assessment**

***AIMS:***

1. To develop an understanding of the role of accounting in providing an information system for monitoring and decision making.
2. To develop an understanding of accounting concepts, principles, procedures and terminology.
3. To develop skills in preparing and interpreting accounting information.
4. To develop knowledge and understanding of the aims and activities of business and no trading Organizations, their accounting implications and the accounting techniques and Procedures appropriate to them.
5. To develop skills of numeracy, literacy, communication and enquiry.
6. To encourage attitudes of accuracy, orderliness, logical thought and an appreciation of professional ethics.

**ASSESSMENT OBJECTIVES:**

The skills tested in Principles of Accounts are:

- A Knowledge with understanding
- B Analysis
- C Evaluation

A description of each skill follows.

***A Knowledge with understanding***

Students should be able to:

1. Demonstrate knowledge and understanding of facts, terms, concepts, conventions, principles and techniques appropriate to the syllabus;

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2. Demonstrate understanding of knowledge through numeracy, literacy, presentation and comprehension;
3. Apply knowledge and information to various accounting situations and problems.

The syllabus content defines the factual material that candidates may be required to recall and understand. Questions testing this will often begin with words such as: state, define, identify, list, outline, write up, record, calculate, compute, and explain.

#### ***B Analysis***

Students should be able to:

4. Select, analyze and order information in written, numerical and diagrammatic form;
5. Present appropriate information in an accepted accounting form.

Questions testing these skills will often begin with words such as: select, prepare, draw up.

#### ***C Evaluation***

Students should be able to:

6. Interpret and evaluate accounting information and to draw reasoned conclusions.

Questions testing this skill will often require written answers and may begin with words such as: explain, suggest, advise, comment on, discuss, compare.

#### **Monthly Breakup**

##### **AUGUST:**

Accounting equation and the balance sheet  
Double entry for assets, liabilities and capital

##### **SEPTEMBER:**

The asset of stock  
The effect of profit or loss on capital and the double entry for expense and revenue

##### **OCTOBER:**

Balancing off Accounts  
Trial Balance

##### **NOVEMBER:**

Balance Sheet  
Trading and Profit and Loss Account

##### **DECEMBER:**

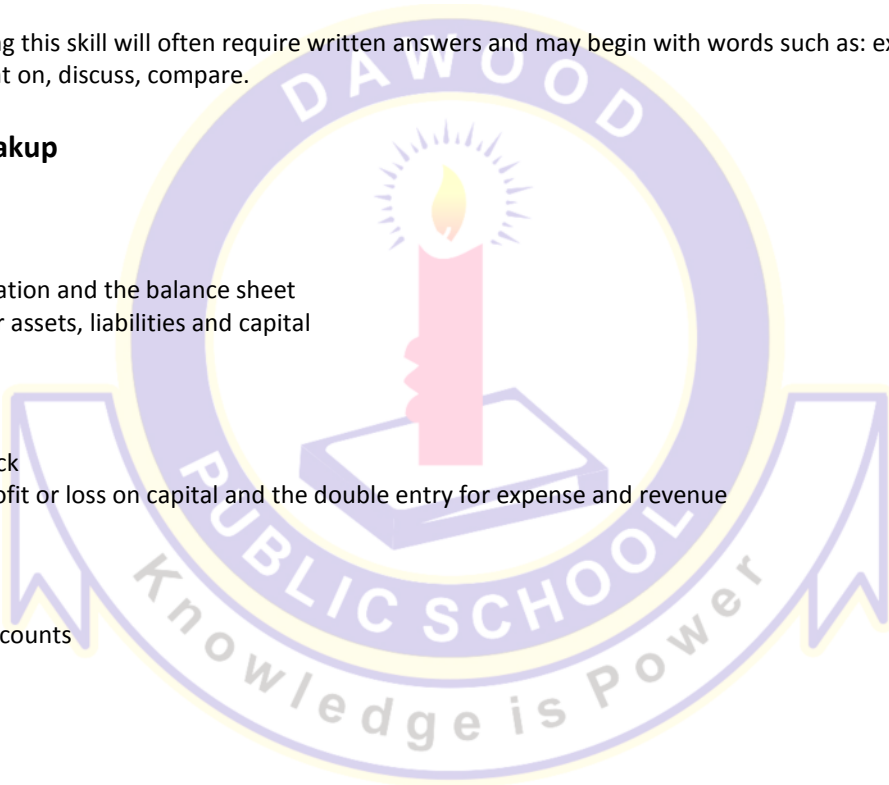
Mid Year Examinations

##### **JANUARY:**

Books of original entry and ledgers  
Cash Book  
Sales Journal

##### **FEBRUARY:**

Purchases Journal  
Returns Journal  
The Journal



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**MARCH:**

Errors not affecting Trial Balance  
Control Accounts

**APRIL:**

Capital and Revenue Expenditure  
Revision for Final Examinations

**MAY:**

Final Examinations

**SYLLABUS CONTENT:**

**1. Introduction to double entry book keeping**

**CONTENTS AND LEARNING OBJECTIVES**

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

**1.1 The accounting equation and the balance sheet:**

- Explain the difference between book-keeping and accounting
- Explain the role of accounting in providing information for monitoring progress and decision making
- Explain the meaning of assets, liabilities and owner's capital (equity)
- Explain and apply the accounting equation

**1.2 The double entry system for assets, liabilities and capital:**

- Outline the double entry system of book-keeping
- Process accounting data using the double entry system
- Prepare ledger accounts using the 'T' account format
- Post transactions to the ledger accounts

**1.3 The asset of stock:**

- Explain the meaning and treatment of 'sales', 'purchases', 'return inwards' and 'return outwards'
- Explain the differences in recording cash and credit sales/purchases.

**1.4 The effect of profit or loss on capital and the double entry system for expenses and revenue:**

- Explain the treatment of revenues and expenses
- Calculate profit by comparing revenue with expenses
- Show the effect of profit or loss on capital

**1.5 Balancing off accounts:**

- balance the ledger accounts as required, make transfers to the final accounts
- interpret ledger accounts prepared in 'T' account form and their balances
- explain and interpret ledger accounts prepared using the running balance format

**1.6 The trial balance:**

- Recognize that it is a statement of ledger balances on a particular date
- Extract a trial balance
- Outline its uses and limitations

**2. The financial statements of sole traders**

**CONTENTS AND LEARNING OBJECTIVES:**

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

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#### 2.1 Trading and profit and loss accounts: an introduction:

- Calculate the gross and net profits or losses, based on accounting principles, for a specified period
- Recognize that net profit (or loss) is the increase (or decrease) in the net value of assets during that period.

#### 2.2 Balance Sheets:

- Recognize that they are statements of balances of assets and liabilities on a specified date Set out in any valid layout
- Demonstrate knowledge of the meaning, importance and designation of fixed assets,
- Current assets, current liabilities, long term liabilities and working capital
- Comment upon the significance of the inter-relationship of the Balance Sheet items Sold.
- Explain how and why the costs of putting goods into a saleable condition should be charged to the trading account.

### 3. Books of original entry

#### CONTENTS AND LEARNING OBJECTIVES:

Students should be able to have an understanding and solve questions relating to:  
Within the following areas the student should be able to:

#### 3.1 Books of original entry and ledgers:

- Explain the sub-division of the ledger into the sales ledger, the purchases ledger, and the general ledger.
- Explain the use of, and process, accounting data in the books of prime (original) entry – Cash Book, Sales Journal, Purchases Journal, Sales Returns Journal, Purchases Returns Journal, and General Journal

#### 3.2 Cash Books:

- Explain its dual function both as a book of prime entry and as a ledger account for bank and cash by use of analysis columns
- Explain and process transactions involving bank current accounts, bank deposit accounts, bank overdrafts, bank loans and other loans

#### 3.3 The sales day book and the sales ledger:

- Name and state the use of an invoice
- Make entries in the sales day book of credit sales
- Post the sales ledger entries from the sales day book
- Distinguish between, and account for, cash and trade discounts

#### 3.4 The purchases day book and the purchases ledger:

- Make appropriate entries relating to credit purchases in the purchases day book.
- Post the purchase ledger entries from the purchase day book

#### 3.5 The returns day book:

- Make appropriate entries relating to return outwards in the returns outwards day book and of return inwards in the return inwards day book.
- Make the correct postings from the returns day books to the purchases ledger, sales ledger and General ledger.
- Name and state the use of a credit note, debit note, and statement of account.

#### 3.6 The Journal:

- Explain the use of the journal
- enter those transactions, including correction of errors, that cannot be recorded in any special journal

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- Write relevant explanatory narrations for each entry

#### 4.1 Capital and Revenue expenditure:

- Explain the meaning of capital expenditure and revenue expenditure.
- Distinguish between and account for capital and revenue expenditure.
- Distinguish between and account for capital and revenue receipts.
- Calculate and comment on the effect on profit and asset valuation of incorrect treatment.

#### 4.2 Correction of Errors:

- Make journal entries supporting the correction of errors.
- Prepare a statement of revised profit.
- Prepare revised balance sheet extracts.

#### 4.3 Control Accounts:

Past Papers: J-86(Q6), J-96(Q6), J-02(Q2), N-01(Q3), N-93(Q5)

