

# General Introduction

Welcome to GCSE Accounting. Accounting has become an essential part of business life, and the knowledge and skills that you will learn in your studies will give you a broader and more experienced view of business life.

## The Course

The course has been written to match the AQA syllabus 3122. It is also largely suitable for other Accounting GCSE syllabuses. The AQA syllabus does not require coursework. Full details are given below.

Although this course has been specifically written for students studying Accounting for GCSE, the course can also be seen as a general introduction to Accounting. It can, therefore, be studied with advantage by students who are interested in obtaining a grounding in Accounting but who do not wish to take an examination.

## Note

This Introduction gives advice and guidance on many aspects of your studies, and you should keep it beside you for reference whenever you are working on the course.



## Studying the Course

The first few lessons concentrate on the book-keeping aspects of Accountancy, although it must be remembered that these are becoming less important compared to the accounting aspects as more and more companies use computers for their book-keeping. However, no accountant can hope to be good unless he has a firm understanding of the underlying principles and consequently these early lessons are of importance and must be studied in depth.

There has been some change of emphasis in recent examinations and examiners as well as requiring the production of standard accounts now expect students to show an awareness of the information contained in these accounts. Correction of errors and interpretation of accounts now form an important area of study even at this stage — understanding of what you are doing is therefore vital.

Currency figures in the course are all quoted in United Kingdom currency. The numbers have been kept deliberately simple, perhaps at the loss of being completely realistic in some places. This has been done in order to keep the mathematics and arithmetic as simple as possible. Hence the price of a new car might be quoted as being £10,000, whereas a more realistic price would be £9,995! Although this might make the accounts seem a little artificial, it does mean that the student will not be confused by too many figures.

The primary aim of this course, therefore, is to enable all students to obtain a thorough understanding of the principles of accounts and to enable those students working for an examination to pass it.

## Course Development and Assessment

The course must be viewed as a complete entity of which the Self-Assessment Tests and Tutor-marked Assignments form an integral part:

### Self-Assessment Tests

At the end of each lesson, you will normally find a Self-Assessment (or 'practice') Test. 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 specimen 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 Self-Assessment Tests should NOT be sent to your tutor for assessment. They are to enable you to judge whether you have fully understood each lesson. If you find the Self-Assessment Test for any lesson impossible to complete, or you find that your answers bear little or no resemblance to those given, it is a sign that you have not understood that lesson. When this happens, you need to go through that lesson again, rereading any relevant sections from the textbook.

### Tutor-Marked Assignments

At the end of each module, you will find a Tutor-Marked Assignment. Your answers to these tests should be sent to your tutor. These tests are the 'lettered' tests A-F. You should treat the tests as 'Mock Examinations' and work them without reference to lesson notes, books, etc., and endeavour to complete each test in the time prescribed. Each of the tests A, B, C, D and G is set on the contents of its module. Tests E, F and H cover the entire course so far.

The aim of the tests is to give you practice at working under examination conditions and to allow your tutor to make his own assessment of your progress. Specimen answers will be sent to you with your marked work. (If you are not working with a tutor you will find the specimen answers on the blue pages at the back of the course.)

If you should encounter particular problems when studying a lesson then make use of your tutor. It is most important for you to include your workings in any enquiry that you send to your tutor as he will then be able to see the nature of your difficulty.

## Textbooks

It is essential that you acquire the following textbook, before you begin the course:

Frank Wood & Alan Sangster, *Business Accounting Volume 1* FT Prentice Hall Pub. (9<sup>th</sup> edition; ISBN: 0-273-65552-3)

One easy way to purchase supporting texts is through the OOL website ([www.ool.co.uk](http://www.ool.co.uk)).

When you find Frank Wood's book you should ensure that you obtain the latest edition. This book is one of the most up-to-date books on accounting suitable for GCSE and contains a number of useful test questions on the lines of those now set by examiners. There are online resources for this book at [www.booksites.net](http://www.booksites.net).

The course does not exactly parallel the order of subjects in the textbooks as each author prefers to take some topics at different stages. Where a question in the textbook requires knowledge from a chapter not yet covered the question should be omitted until later in the course.

It is, of course, recognised that you may be in possession of other textbooks on elementary book-keeping and may wish to use one of them — in which case you must use the table of contents and index to trace the parts relevant to each lesson of this course.

## Supplementary Reading

While Wood is in general an excellent text book for this level, there are a number of other text books which are equally good. You may find that a particular author is better for particular topics and the following list of books is given for this reason. It is not suggested that you need to read all or even any of the text books mentioned in the list but you may find some of them helpful if they can be borrowed from your local library.

Austin: *Practical Accounting* .....McGraw-Hill.

Baston: *Elements of Accounts* .....Cassell.

Johnson & Whittam: *A Practical Foundation in Accounting*.....Allen & Unwin.

Miller: *Objective Tests in the Principles of Accounts*.....Hodder & Stoughton.

## The Arrangement of Lessons

Lesson	Subject	Wood chapters
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### Module One: Sources and Recording of Data

<b>1</b>	Introduction: Source Documents	1
<b>2</b>	Books of Original Entry	11-17
<b>3</b>	Double-entry Accounts	2, 4, 5
	<b>Test A</b>	
<b>4</b>	Value-added Tax	19

### Module Two: Verification of Accounting Records

<b>5</b>	The Trial Balance	6-8, 30
	<b>Test B</b>	
<b>6</b>	Correction of Errors	31-32
<b>7</b>	Control Accounts	33
<b>8</b>	Bank Reconciliation Statements	30 (13,5,18)
	<b>Test C</b>	

### Module Three: Development of the Accounting Model

<b>9</b>	Assets and Liabilities	3, 29
<b>10</b>	Capital and Revenue	24
<b>11</b>	Depreciation in the Ledger	26-27
	<b>Test D</b>	
<b>12</b>	Adjustments to Expenses and Income	28
<b>13</b>	Bad Debts and Provision for Doubtful Debts	25
<b>14</b>	Realization of Profit	-
	<b>Test E</b>	

<b>Module Four: Final Accounts</b>
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<b>15</b>	Sole Traders	(7-9)
<b>16</b>	Partnerships	41
	<b>Test F</b>	
<b>17</b>	Company Accounts	45
<b>18</b>	Non-Commercial Organisations	36
	<b>Test G</b>	
<b>19</b>	Manufacturing Concerns	37
<b>20</b>	Incomplete Records	35
<b>21</b>	The Analysis and Interpretation of Final Accounts	34, 47
	<b>Test H</b>	
<b>22</b>	Social Aspects and the Use of Computers in Accounting	22-23

**Test I: Practice Examination**

## The AQA Syllabus 3122

The AQA syllabus (or “specification”) **3122** is ideal for distance learners.

The Scheme of Assessment comprises two components/exam papers. *Foundation* candidates sit Papers 1 and 2. *Higher* candidates sit Papers 3 and 4. You do not need to decide at this stage which category you are in!

### Written Papers 1 and 3 1 hr 15 mins 40% of the marks

These papers consist of several short answer questions. All questions are compulsory.

### Written Papers 2 and 4 2 hours 60% of the marks

These papers consist of up to five longer, structured questions. Question 1 will focus on Double Entry. All questions are compulsory.

**Subject Content:** this corresponds to the sequence of lessons in this course.

## Use of Electronic Calculators in the Examination Room

Candidates for SEG/AQA examinations may take a calculator into the exam as long as certain guidelines are followed. See the SEG regulations if uncertain.

## Tiers of Assessment

The GCSE examination caters for students with differing levels of ability but, when the time comes, you will need to enter at one of two levels, Foundation and Higher. You do not need to decide at the outset which level you will be aiming at. See how you get on with the course!

Candidates at Foundation level can achieve any grade between C and G. Candidates at Higher level can achieve any grade between A\* and D. If you enter at Higher level but fail to achieve the standard required for grade D, you will be given a U (= "Unclassified"). At the top end of the scale, A\* is even better than A.

## Further Guidance

This syllabus/specification is available for private candidates. Private candidates should write to AQA for a copy of "Supplementary Guidance for Private Candidates".

## The Syllabus

This course is mainly linked to the syllabus set by the Assessment and Qualifications Alliance (AQA), numbered AQA 3122. 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](http://www.aqa.org.uk).

The syllabus can be purchased from

Publications,  
AQA, Aldon House,  
39, Heald Grove,  
Rusholme,  
Manchester  
M14 4NA (tel: 0161-953-1170)

or downloaded from [www.aqa.org.uk/qual/pdf/AQA3122WSP.pdf](http://www.aqa.org.uk/qual/pdf/AQA3122WSP.pdf).

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](http://www.aqa.org.uk)), you should get into the habit of checking the Oxford Open Learning site ([www.ool.co.uk](http://www.ool.co.uk)) where you may find news, additional resources and interactive features as time goes by. If you have not already done so, you may register for your free copy of *How to Study at Home*, our 200-page guide to home learning, or enrol on further courses. Put it on your Favourites list now!

Good luck!

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