

**GCE**

**AS and A Level Specification**

# Accounting

**AS exams 2009 onwards**

**A2 exams 2010 onwards**



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This specification will be published annually on the AQA Website ([www.aqa.org.uk](http://www.aqa.org.uk)). If there are any changes to the specification centres will be notified in print as well as on the Website. The version on the Website is the definitive version of the specification.

Vertical black lines indicate a significant change or addition to the previous version of this specification.

# 1 Introduction

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## 1.1 Why choose AQA?

It's a fact that AQA is the UK's favourite exam board and more students receive their academic qualifications from AQA than from any other board. But why does AQA continue to be so popular?

- **Specifications**

Ours are designed to the highest standards, so teachers, students and their parents can be confident that an AQA award provides an accurate measure of a student's achievements. And the assessment structures have been designed to achieve a balance between rigour, reliability and demands on candidates.

- **Support**

AQA runs the most extensive programme of support meetings; free of charge in the first years of a new specification and at a very reasonable cost thereafter. These support meetings explain the specification and suggest practical teaching strategies and approaches that really work.

- **Service**

We are committed to providing an efficient and effective service and we are at the end of the phone when you need to speak to a person about an important issue. We will always try to resolve issues the first time you contact us but, should that not be possible, we will always come back to you (by telephone, email or letter) and keep working with you to find the solution.

- **Ethics**

AQA is a registered charity. We have no shareholders to pay. We exist solely for the good of education in the UK. Any surplus income is ploughed back into educational research and our service to you, our customers. We don't profit from education, you do.

If you are an existing customer then we thank you for your support. If you are thinking of moving to AQA then we look forward to welcoming you.

## 1.2 Why choose Accounting?

- A large degree of **continuity** with the previous specification
- A study of both **financial accounting** and **management accounting** at both AS and A2
- Accessible questions within the written papers enabling candidates to demonstrate the full extent of their achievements
- A range of question types within written papers involving both computational and prose answers, with the emphasis on the computational
- An Accounting specification which can be offered as a coherent, self-standing AS course **and** which also provides a logical progression to A2 in terms of knowledge, understanding and skills.

## 1.3 How do I start using this specification?

### Already using the existing AQA GCE Accounting specification?

- Register to receive further information, such as mark schemes, past question papers, details of teacher support meetings, etc, at **<http://www.aqa.org.uk/rn/askaqa.php>**  
Information will be available electronically or in print, for your convenience.
- Tell us that you intend to enter candidates. We can then make sure that you receive all the material you need for the examinations. This is particularly important where examination material is issued before the final entry deadline. You can let us know by completing the appropriate Intention to Enter and Estimated Entry forms. We will send copies to your Exams Officer and they are also available on our website  
**[http://www.aqa.org.uk/admin/p\\_entries.html](http://www.aqa.org.uk/admin/p_entries.html)**

### Not using the AQA specification currently?

- Almost all centres in England and Wales use AQA or have used AQA in the past and are approved AQA centres. A small minority are not. If your centre is new to AQA, please contact our centre approval team at **[centreapproval@aqa.org.uk](mailto:centreapproval@aqa.org.uk)**

## 1.4 How can I find out more?

### Ask AQA

You have 24-hour access to useful information and answers to the most commonly asked questions at **<http://www.aqa.org.uk/rn/askaqa.php>**

If the answer to your question is not available, you can submit a query for our team. Our target response time is one day.

### Teacher Support

Details of the full range of current Teacher Support meetings are available on our website at **<http://www.aqa.org.uk/support/teachers.html>**

There is also a link to our fast and convenient online booking system for Teacher Support meetings at **<http://events.aqa.org.uk/ebooking>**

If you need to contact the Teacher Support team, you can call us on 01483 477860 or email us at **[teachersupport@aqa.org.uk](mailto:teachersupport@aqa.org.uk)**

## 2 Specification at a Glance

There are four equally-weighted units, each assessed externally by a written paper.

### AS Examinations

#### Unit 1 – ACCN1

##### Introduction to Financial Accounting

50% of AS, 25% of A Level  
1 hour 30 minutes written examination  
80 raw marks (100 UMS)

Four compulsory questions – each carrying a variable number of marks, each with a variable number of sub-questions.

Available January and June

#### Unit 2 – ACCN2

##### Financial and Management Accounting

50% of AS, 25% of A Level  
1 hour 30 minutes written examination  
80 raw marks (100 UMS)

Four compulsory questions – each carrying a variable number of marks, each with a variable number of sub-questions.

Available January and June

AS  
Award  
1121

### A2 Examinations

#### Unit 3 – ACCN3

##### Further Aspects of Financial Accounting

25% of A Level  
2 hour written examination  
90 raw marks (100 UMS)

Four compulsory questions – each carrying a variable number of marks, each with a variable number of sub-questions. This unit is synoptic.

Available January and June

#### Unit 4 – ACCN4

##### Further Aspects of Management Accounting

25% of A Level  
2 hour written examination  
90 raw marks (100 UMS)

Four compulsory questions – each carrying a variable number of marks, each with a variable number of sub-questions. This unit is synoptic.

Available January and June

A Level  
Award  
2121

$$\boxed{\text{AS}} + \boxed{\text{A2}} = \boxed{\text{A Level}}$$

**Changes** required by QCA's subject criteria include:

- moving from six units to four units
- providing greater 'stretch and challenge' for candidates, particularly the most able.

**Other changes** include:

- bringing the subject content up to date with the current accounting environment
- moving certain aspects of the subject content between units for greater balance and coherence
- discontinuing Module 2 from the previous specification which had been available as an alternative to Module 1, but retaining its content within other units
- reducing the overall content to ensure manageability
- providing candidates with a more generous time allocation in the examination so that answers can be more considered.

**Candidates** taking this specification should:

- develop knowledge and understanding of the purposes of accounting, its concepts, techniques and procedures

- apply this knowledge and understanding to a variety of accounting problems
- develop an appreciation of the role and limitations of accounting in decision-making
- analyse, interpret and evaluate accounting information, assess alternative courses of action and make reasoned judgements taking into consideration economic, legal, technological and social factors.

The specification also encourages candidates to acquire a range of **important and transferable skills**:

- data skills: candidates will be expected to manipulate data in a variety of forms and to interpret their results
- presenting arguments and making judgements and justified recommendations on the basis of the available evidence
- recognising the nature of problems, solving problems and making decisions using appropriate accounting tools and methods
- planning work, taking into account the demands of the task and the time available to complete it.

# 3 Subject Content

The purpose of this statement is to clarify the position regarding the application of new International Accounting Standards (IAS) terminology.

- This Specification (version 1.2) includes the new IAS terms followed by the old UK terms in brackets (i.e. it adopts dual terminology).

These changes will be integrated to the question papers and mark schemes using the following system:

- **January 2010 question papers: No Change** (i.e. only the old UK term is used).
- **January 2010 mark schemes:** will incorporate dual terminology in the following style; **Old term (New term)**. This is to flag up the forthcoming changes for June 2010.
- **June 2010 onwards: the question papers and mark schemes** will incorporate dual terminology in the following style; **New term (Old term)**.
- Both new IAS terms and old UK terms will be accepted by examiners when marking the candidate responses.

## 3.1 AS Unit 1 ACCN1 Introduction to Financial Accounting

This unit is designed as a foundation for the course and covers double-entry procedures as applied to the accounting systems of sole traders.

Candidates should develop an understanding of how the double-entry system operates and develop skills in keeping accurate accounting records. Candidates should be able to record a variety of transactions, working from original documents and using the appropriate books of original entry.

Candidates should be able to verify the accuracy of accounting records, explain the purpose and limitations of verification techniques and be able to assess the consequences of errors on profit calculations and balance sheets.

Candidates should be able to demonstrate an understanding of the complete double-entry process by transferring relevant accounts to the income statement (trading and profit and loss account), balancing accounts and preparing a balance sheet set out in good form. Candidates should be able to make straightforward adjustments to expenses in the financial statements including the recording of depreciation based on the straight-line method.

Purposes of accounting

Candidates should be able to:

know and understand the reasons for keeping accounting records and the benefits which arise for the owner of a business and other stakeholders.

Accounting records: subsidiary books and ledger accounts

Candidates should be able to:

prepare and understand accounting records based on source documents and use the main subsidiary books and ledger accounts.

*Note:*

Source documents include invoices, credit notes, cheque counterfoils, paying-in slip counterfoils, cash receipts, till rolls, information from bank statements such as standing orders, direct debits, BACS, credit transfers, bank charges.

The subsidiary books are: general journal, four day books, main cash book.

Ledger accounts may be subdivided into the sales, purchase and general ledgers.

Candidates will **not** be required to understand the VAT system or make accounting records of VAT. Candidates will **not** be asked to prepare petty cash books.

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 Verification of accounting records

Candidates should be able to:

- verify the accuracy of the double-entry records by the preparation of trial balances, bank reconciliation statements, and sales and purchases ledger control accounts;
- make entries to correct errors;
- assess the effect of errors on profit calculations and balance sheets;
- understand the limitations of trial balances and control accounts.

*Note:*

The process of error correction may involve the use of a suspense account. Control accounts will be memorandum records only.

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## Income Statements (trading and profit and loss accounts) and balance sheets including simple adjustments

Candidates should be able to:

- prepare income statements (trading and profit and loss accounts) and balance sheets by transferring relevant accounts to the income statements (trading and profit and loss accounts), identifying gross profit and profit (net profit) for the year;
- prepare income statements (trading and profit and loss accounts) and balance sheets working from trial balances and additional information;
- prepare balance sheets with subheadings for non-current (fixed) and current assets, capital, non-current (long-term) and current liabilities;
- make entries for simple adjustments for expense prepayments and accruals in ledger accounts and in the income statements (trading and profit and loss accounts) and balance sheet;
- make entries for bad debts in the sales ledger and financial statements;
- make entries for depreciation in the income statement (trading and profit and loss account) and balance sheet using the straight-line method.

*Note:*

Candidates will **not** be required to make entries for bad debts recovered or provisions for doubtful debts. Candidates will **not** be required to make ledger account entries for depreciation.



## 3.2 AS Unit 2 ACCN2 Financial and Management Accounting

This unit provides candidates with the opportunity to develop their knowledge and understanding of financial accounting and introduces the candidate to some of the ways in which financial accounting can provide valuable information for measuring and monitoring business performance and for planning future business operations.

Candidates will develop their ability to produce financial statements (final accounts) for sole traders as well as limited companies. Candidates should be able to make more complex adjustments to financial statements. In addition, candidates should be able to demonstrate an understanding of the concepts which underlie the preparation of financial statements and to explain how these are applied to a variety of situations.

Candidates are expected to understand how the financial structure of a limited company differs from that of a sole trader and a partnership, and how ownership and control are separated. Candidates should appreciate why these forms of ownership are appropriate in certain circumstances.

Candidates should be able to report on the performance of sole traders and limited companies by evaluating their financial strengths and weaknesses. Candidates should be able to support their comments with evidence based on ratio analysis focusing on issues of profitability and liquidity. Candidates should be able to recommend courses of action which will benefit the business and explain the consequences of failing to take remedial action.

Candidates should be able to demonstrate an understanding of the purposes of budgeting and be able to prepare cash budgets.

*Note:*

Candidates will **not** be expected to prepare manufacturing accounts (this topic is covered in Unit 4).

Types of business organisation

Candidates should be able to:

compare the advantages and disadvantages of different types of ownership.

*Note:*

Types of ownership include sole traders, partnerships and limited companies. However, candidates will **not** be expected to prepare the accounts of partnerships (this topic is covered in Unit 3).

Accounting concepts

Candidates should be able to:

demonstrate an understanding of generally applied accounting concepts;

explain how accounting concepts are applied to a variety of situations including the preparation of financial statements, asset valuation, depreciation of non-current (fixed) assets, inventories (stock) using cost or net realisable value as the basis of valuation.

*Note:*

The concepts to be covered are: cost, going concern, accruals, consistency, prudence, materiality, realisation, business entity and objectivity.

Further aspects of the preparation of the financial statements and balance sheets of sole traders

Candidates should be able to:

prepare the financial statements and balance sheets of sole traders, making adjustments for bad debts recovered, income due and received in advance, provisions for doubtful debts;

demonstrate an understanding of the reasons for providing for depreciation and of reducing balance as well as straight-line methods of depreciation;

make appropriate entries in ledger accounts for adjustments including the use of accounts for provisions for depreciation, and account for the disposal of non-current (fixed) assets;

distinguish between capital and revenue expenditure and income.

Financial statements of limited companies	<p>Candidates should be able to:</p> <p>explain the meaning of limited liability, authorised capital, issued capital, ordinary and preference shares, capital and revenue reserves, shareholders' funds, loan capital;</p> <p>evaluate shares and loan capital as sources of finance;</p> <p>prepare the internal financial statements of limited companies, identifying profit from operations, making entries for dividends, share premiums, provision for taxation;</p> <p>account for the revaluation of non-current (fixed) assets;</p> <p>explain the difference between a rights issue and a bonus issue of shares, and record the effect of such transactions on the financial statement.</p> <p><i>Note:</i> Candidates will not be expected to prepare an appropriation account but could be asked to prepare a statement showing <b>all</b> changes in equity.</p> <p>Candidates will <b>not</b> be expected to make tax calculations. Candidates will <b>not</b> be required to make ledger entries for the issue of shares.</p>
Ratio analysis and the assessment of business performance	<p>Candidates should be able to:</p> <p>calculate and explain the significance of gross profit margin, mark-up, rate of inventory (stock) turnover, overheads in relation to revenue (turnover), profit in relation to revenue (turnover), return on capital employed, net current asset (current) ratio, liquid capital (acid test) ratio, receivable days (debtor collection period) and payable days (creditor payment period), gearing;</p> <p>analyse the financial statements of sole traders and limited companies, and comment on the performance of businesses making comparisons with other businesses, of one accounting period with another and with competitors focusing on the issues of profitability, liquidity and capital structure;</p> <p>develop an understanding of the difference between cash and profits and the effect of transactions on profitability and liquidity;</p> <p>explain the limitations of financial statements and ratio analysis when assessing business performance.</p>
Introduction to budgeting and budgetary control	<p>Candidates should be able to:</p> <p>understand the need for budgeting in business organisations and be able to explain the benefits of budgetary control, but also be aware of its limitations;</p> <p>prepare cash budgets.</p> <p><i>Note:</i> Other budgets will be covered in Unit 4.</p>
The impact of ICT in accounting	<p>Candidates should be able to:</p> <p>demonstrate an awareness of the main applications of ICT in accounting, for example in double-entry record keeping, inventory (stock) records, receivables (debtor) analysis, preparation of budgets;</p> <p>explain the advantages and disadvantages of ICT in accounting.</p> <p><i>Note:</i> Candidates will <b>not</b> be expected to use ICT in the examination, <b>nor</b> are they expected to have a knowledge of any specific spreadsheet or accounting package, but they should have a general understanding of what can be achieved with various types of software.</p>

### 3.3 A2 Unit 3 ACCN3 Further Aspects of Financial Accounting

In this unit, candidates will have the opportunity to develop their understanding of financial accounting techniques which can be applied where a business does not maintain a complete accounting system. Candidates will also have the opportunity to develop an understanding of the techniques and procedures which are relevant to partnerships. Candidates will also develop further their understanding of financial accounting in relation to limited companies by developing an understanding of the content of published accounts and their importance to various user groups. Candidates will be able to extend their range of advanced techniques and knowledge of accounting by the study of statements of cash flow and international accounting standards.

*Note:*

Candidates will **not** be required to prepare or comment on financial statements for not-for-profit organisations.

Sources of finance	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>assess different types of business finance including internal finance, shares, debentures, bank loans and overdrafts, and mortgages.</li> </ul> <p><i>Note:</i> Candidates will <b>not</b> be expected to assess hire purchase or leasing as forms of finance.</p>
Incomplete records	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>prepare a statement of affairs and calculate profit or loss from changes in capital over time;</li> <li>calculate credit sales and purchases using total accounts;</li> <li>calculate missing figures using mark up or margin;</li> <li>prepare financial statements (final accounts) based on incomplete records;</li> <li>assess the drawbacks of maintaining limited accounting records;</li> <li>comment on end of year financial statements based on incomplete records.</li> </ul>
Partnership accounts	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>prepare and comment on the end of year financial statements for partnerships, including appropriation accounts;</li> <li>prepare capital and current accounts of partners;</li> <li>account for changes in a partnership, including changes in profit-sharing, revaluation of assets including goodwill, retirement of a partner, admission of a partner and dissolution of a partnership (including the ruling in <i>Garner v. Murray</i>).</li> </ul> <p><i>Note:</i> Candidates should understand the circumstances under which partners may choose to have only capital accounts to record their relationship with the firm, and be able to prepare these accounts; candidates should know and be able to apply the terms of the Partnership Act 1890 in relation to sharing profits and losses; candidates should be able to distinguish between a partner's loan and capital, and account for these. Questions will <b>not</b> be set on piecemeal dissolution of partnerships <b>nor</b> the conversion of a partnership to a limited company.</p>

Published accounts of limited companies	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>identify the main elements of published reports and explain why limited companies are required to publish their accounts;</li> <li>demonstrate a knowledge of the corporate report requirements of different user groups and explain the value of published accounts to these groups;</li> <li>demonstrate an awareness of the limitations of published financial statements;</li> <li>prepare schedules of non-current (fixed) assets;</li> <li>prepare a statement of cash flows;</li> <li>comment on cash flow statements and explain their value to potential user groups;</li> <li>explain the difference between the duties of the directors and auditors with regard to the accounts.</li> </ul> <p><i>Note:</i> Candidates will <b>not</b> be expected to prepare financial statements in a form suitable for publication, or notes to the accounts other than schedules of non-current (fixed) assets, <b>nor</b> have a detailed knowledge of formats.</p> <p>User groups include shareholders, loan stockholders, creditors, employees, potential investors, analysts, etc.</p> <p>Statements of cash flows should be prepared using the indirect method following the format given in IAS7.</p> <p>Candidates will <b>not</b> be required to calculate or comment on dividends per share, dividend yield, dividend cover and price/earnings ratios.</p> <p>Questions will <b>not</b> be set requiring a knowledge of group accounts.</p>
International Accounting Standards	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>explain and comment on the purpose and importance of the following international accounting standards:</li> </ul> <ul style="list-style-type: none"> <li>IAS 1 Presentation of financial statements</li> <li>IAS 2 Inventories</li> <li>IAS 7 Statement of cash flows</li> <li>IAS 8 Accounting policies, changes in accounting estimates and errors</li> <li>IAS 10 Events after the reporting period</li> <li>IAS 16 Property, plant and equipment</li> <li>IAS 18 Revenue</li> <li>IAS 36 Impairment of assets</li> <li>IAS 37 Provisions, contingent liabilities and contingent assets</li> <li>IAS 38 Intangible assets.</li> </ul> <p><i>Note:</i> Candidates will <b>not</b> be expected to have a detailed knowledge of any particular accounting standard (other than IAS7).</p> <p>Further information about this topic is given in the Teachers' Guide.</p>
Inventory (Stock) valuation	<p>Candidates should be able to:</p> <ul style="list-style-type: none"> <li>use the FIFO and AVCO methods of determining inventory values and explain why different inventory valuation methods produce different profit figures in the short term;</li> <li>reconcile inventory values with actual inventories.</li> </ul> <p><i>Note:</i> Candidates will <b>not</b> be expected to use the LIFO method of inventory valuation.</p>

### 3.4 A2 Unit 4 ACCN4 Further Aspects of Management Accounting

This unit provides an opportunity for candidates to develop further the ways in which accounting techniques can be used to aid the management of a business and contribute to effective decision-making.

Candidates will develop an understanding of manufacturing accounts and certain cost concepts, including contribution, overhead absorption, activity based costing, standard costing and variance analysis.

The unit provides an opportunity to develop two techniques for making capital investment decisions and develop further their understanding of sources of finance.

Candidates will develop further their understanding of budgeting and budgetary control.

Candidates will be expected to consider social accounting factors when making decisions.

Manufacturing accounts	<p>Candidates should be able to:</p> <p>prepare and comment on the financial statements (final accounts and balance sheet) of manufacturing organisations, calculate prime costs, overhead cost, factory cost of finished goods, profit on manufacture, and make provisions for unrealised profit.</p>
Marginal, absorption and activity based costing	<p>Candidates should be able to:</p> <p>explain the terms direct costs, indirect costs, variable costs, semi-variable costs, fixed costs, marginal cost, contribution and break-even;</p> <p>calculate the break-even point by use of formulae, and explain the limitations of break-even analysis by formula and graph;</p> <p>explain the term absorption costing and be able to compare absorption and marginal costing, identifying their uses and limitations;</p> <p>calculate profit using marginal costing and absorption costing;</p> <p>explain the term cost centre, and how to allocate and apportion costs including those for service cost centres by elimination method only;</p> <p>explain the term activity based costing; explain and identify cost pools and cost drivers; compare absorption, marginal and activity based costing, identifying their uses and limitations;</p> <p>calculate overhead absorption rates and apply them using the machine hour and labour hour methods;</p> <p>apply cost concepts to pricing policy and be able to cost a simple project;</p> <p>select and apply relevant techniques for decision-making, including make or buy, acceptance of additional work, price setting, optimum use of scarce resources.</p> <p><i>Note:</i> Further information about activity based costing is given in the Teachers' Guide.</p>
Standard costing and variance analysis	<p>Candidates should be able to:</p> <p>explain the purpose, advantages and disadvantages of a system of standard costing;</p> <p>calculate and interpret the following variances: sales (volume and price); material (usage and price); labour (efficiency and rate);</p> <p>demonstrate an understanding of the interrelationship of variances;</p> <p>prepare statements reconciling budgeted and actual figures.</p>

Capital investment appraisal	<p>Candidates should be able to:</p> <p>demonstrate an understanding of payback and net present value (discounted cash flow) methods of capital investment appraisal;</p> <p>calculate estimated cash flows, and use these in appraising projects using either or both of the methods specified;</p> <p>make recommendations as to which project should be chosen and support the recommendation with appropriate financial analysis;</p> <p>assess the methods used for capital investment appraisal and their limitations.</p>
Budgeting: further considerations	<p>Candidates should be able to:</p> <p>demonstrate an understanding of the purposes and applications of a system of budgetary control;</p> <p>prepare and comment on purchases, sales, production, labour, receivables (debtor) and payables (creditor) budgets and their relationship with the master budget;</p> <p>prepare and comment on forecast operating statements and balance sheets.</p>
Other factors affecting decision-making: social accounting	<p>Candidates should be able to:</p> <p>demonstrate an awareness of other factors, including social accounting factors, to be considered in making decisions;</p> <p>consider factors beyond the financial requirements of a business, including ethical factors, and make a critical assessment of any recommendations affecting stakeholders including employees, the local and national economy and the environment.</p>

# 4 Scheme of Assessment

## 4.1 Aims

AS and A Level courses based on this specification should encourage candidates to develop:

- an understanding of the importance of effective accounting information systems and an awareness of their limitations through a critical consideration of current financial issues and modern business practices
- an understanding of the purposes, principles, concepts and techniques of accounting
- the transferable skills of numeracy, communication, ICT, application, presentation, interpretation, analysis and evaluation in an accounting context
- an appreciation of the effects of economic, legal, ethical, social, environmental and technological influences on accounting decisions
- a capacity for methodical and critical thought which would serve as an end in itself, as well as a basis for further study of accounting and other subjects.

## 4.2 Assessment Objectives (AOs)

The Assessment Objectives are common to AS and A Level. The assessment units will assess the following Assessment Objectives in the context of the content and skills set out in Section 3 (Subject Content).

### AO1 Knowledge and Understanding

Demonstrate knowledge and understanding of accounting principles, concepts and techniques.

### AO2 Application

Select and apply knowledge and understanding of accounting principles, concepts and techniques to familiar and unfamiliar situations.

### AO3 Analysis and Evaluation

Order, interpret and analyse accounting information in an appropriate format. Evaluate accounting information, taking into consideration internal and external factors to make reasoned judgements, decisions and recommendations, and assess alternative courses of action using an appropriate form and style of writing.

### Quality of Written Communication (QWC)

In GCE specifications which require candidates to produce written material in English, candidates must:

- ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear
- select and use a form and style of writing appropriate to purpose and to complex subject matter
- organise information clearly and coherently, using specialist vocabulary when appropriate.

In this specification, QWC will be assessed in **all** units. On each paper, two of the marks for prose answers will be allocated to 'quality of written communication', and two of the marks for numerical answers will be allocated to 'quality of presentation'. The sub-questions concerned will be identified on the question papers.

### Weighting of Assessment Objectives for AS

The table below shows the approximate weighting of each of the Assessment Objectives in the AS units.

Assessment Objectives	Unit Weightings (%)		Overall weighting of AOs (%)
	Unit 1	Unit 2	
AO1 Knowledge and Understanding	20	10	30
AO2 Application	25	25	50
AO3 Analysis and Evaluation	5	15	20
Overall weighting of units (%)	50	50	100

## Weighting of Assessment Objectives for A Level

The table below shows the approximate weighting of each of the Assessment Objectives in the AS and A2 units.

Assessment Objectives	Unit Weightings (%)				Overall weighting of AOs (%)
	Unit 1	Unit 2	Unit 3	Unit 4	
AO1 Knowledge and Understanding	10	5	5	5	25
AO2 Application	12½	12½	12½	12½	50
AO3 Analysis and Evaluation	2½	7½	7½	7½	25
Overall weighting of units (%)	25	25	25	25	100

### 4.3 National Criteria

This specification complies with the following.

- The Subject Criteria for GCE Accounting
- The Code of Practice for GCE
- The GCE AS and A Level Qualification Criteria
- The Arrangements for the Statutory Regulation of External Qualifications in England, Wales and Northern Ireland: Common Criteria.

### 4.4 Prior Learning

There are no prior learning requirements. It is not necessary for candidates to have studied GCSE Accounting before commencing work on this

specification and no prior knowledge of accounting is necessary.

### 4.5 Synoptic Assessment and Stretch and Challenge

**Synoptic assessment** in Accounting is included in both A2 units.

Synoptic assessment encourages candidates to see the relationship between different aspects of the subject content. It relates to all the Assessment Objectives. Synoptic assessment will be conducted by using decision-making or problem-solving situations which require candidates to draw together knowledge and understanding of concepts, procedures and techniques learned in different parts of the A Level course to tackle a decision, problem or issue that is new to them.

In Unit 3, synoptic questions will be set on issues relating to Units 1–2.

In Unit 4, synoptic questions will be set on issues relating to Unit 2.

Even though the questions will have such a focus, candidates will be rewarded for employing in their answers relevant knowledge, understanding and skills **learned in any part of the course.**

The requirement that **Stretch and Challenge** is included at A2 is met by:

- questions which require candidates to evaluate accounting issues
- questions which require candidates to apply their knowledge, understanding and skills to complex situations.



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## 4.6 Access to Assessment for Disabled Students

AS/A Levels often require assessment of a broader range of competences. This is because they are general qualifications and, as such, prepare candidates for a wide range of occupations and higher level courses.

The revised AS/A Level qualification and subject criteria were reviewed to identify whether any of the competences required by the subject presented a potential barrier to any disabled candidates. If this was the case, the situation was reviewed again to ensure that such competences were included only where essential to the subject. The findings of this process were discussed with disability groups and with disabled people.

Reasonable adjustments are made for disabled candidates in order to enable them to access the assessments. For this reason, very few candidates will have a complete barrier to any part of the assessment.

Candidates who are still unable to access a significant part of the assessment, even after exploring all possibilities through reasonable adjustments, may still be able to receive an award. They would be given a grade on the parts of the assessment they have taken and there would be an indication on their certificate that not all the competences had been addressed. This will be kept under review and may be amended in the future.

# 5 Administration

## 5.1 Availability of Assessment Units and Certification

Examinations and certification for this specification are available as follows:

	Availability of units		Availability of certification	
	AS	A2	AS	A Level
January 2009	Both units			
June 2009	Both units		✓	
January 2010	Both units	Both units	✓	
June 2010	Both units	Both units	✓	✓
January 2011 onwards	Both units	Both units	✓	✓
June 2011 onwards	Both units	Both units	✓	✓

## 5.2 Entries

Please refer to the current version of *Entry Procedures and Codes* for up to date entry procedures. You should use the following entry codes for the units and for certification.

Unit 1 – ACCN1  
 Unit 2 – ACCN2  
 Unit 3 – ACCN3  
 Unit 4 – ACCN4

AS certification – 1121  
 A Level certification – 2121

## 5.3 Private Candidates

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

## 5.4 Access Arrangements and Special Consideration

We have taken note of equality and discrimination legislation and the interests of minority groups in developing and administering this specification.

We follow the guidelines in the Joint Council for Qualifications (JCQ) document: *Access Arrangements, Reasonable Adjustments and Special Consideration: General and Vocational Qualifications*. This is published on the JCQ website (<http://www.jcq.org.uk>) or you can follow the link from our website (<http://www.aqa.org.uk>).

### Access Arrangements

We can make arrangements so that candidates with disabilities can access the assessment. These arrangements must be made **before** the examination. For example, we can produce a Braille paper for a candidate with a visual impairment.

### Special Consideration

We can give special consideration to candidates who have had a temporary illness, injury or indisposition at the time of the examination. Where we do this, it is given **after** the examination.

Applications for access arrangements and special consideration should be submitted to AQA by the Examinations Officer at the centre.

## 5.5 Language of Examinations

We will provide units for this specification in English only.

## 5.6 Qualification Titles

Qualifications based on this specification are:

- AQA Advanced Subsidiary GCE in Accounting and
- AQA Advanced Level GCE in Accounting.

## 5.7 Awarding Grades and Reporting Results

The AS qualification will be graded on a five-point scale: A, B, C, D and E. The full A Level qualification will be graded on a six-point scale: A\*, A, B, C, D and E. To be awarded an A\* candidates will need to achieve a grade A on the full A Level qualification and an A\* on the aggregate of the A2 units.

For AS and A Level, candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate. Individual assessment unit results will be certificated.

## 5.8 Re-sits and Shelf-life of Unit Results

Unit results remain available to count towards certification, whether or not they have already been used, as long as the specification is still valid.

Candidates may re-sit a unit any number of times within the shelf-life of the specification. The best result for each unit will count towards the final qualification. Candidates who wish to repeat a

qualification may do so by re-taking one or more units. The appropriate subject award entry, as well as the unit entry/entries, must be submitted in order to be awarded a new subject grade.

Candidates will be graded on the basis of the work submitted for assessment.

# Appendices

## A Performance Descriptions

These performance descriptions show the level of attainment characteristic of the grade boundaries at A Level. They give a general indication of the required learning outcomes at the A/B and E/U boundaries at AS and A2. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define that content.

The grade awarded will depend in practice upon the extent to which the candidate has met the Assessment Objectives (see Section 4) overall. Shortcomings in some aspects of the examination may be balanced by better performances in others.

### AS Performance Descriptions

	Assessment Objective 1	Assessment Objective 2	Assessment Objective 3
<b>Assessment Objectives</b>	<b>Demonstrate knowledge and understanding</b> Demonstrate knowledge and understanding of accounting principles, concepts and techniques.	<b>Application</b> Select and apply knowledge and understanding of accounting principles, concepts and techniques to familiar and unfamiliar situations.	<b>Analysis and evaluation</b> Order, interpret and analyse accounting information in an appropriate format. Evaluate accounting information, taking into consideration internal and external factors to make reasoned judgements, decisions and recommendations, and assess alternative courses of action using an appropriate form and style of writing.
<b>A/B boundary performance descriptions</b>	Candidates characteristically: a) demonstrate knowledge and understanding of accounting principles, concepts and techniques.	Candidates characteristically: a) apply knowledge and understanding of accounting principles and concepts b) select and apply appropriate techniques for use in familiar and unfamiliar situations.	Candidates characteristically: a) analyse problems, issues and situations drawn from the AS specification in a clear, coherent and effective manner, by selecting, ordering and using appropriate data b) evaluate accounting information by taking into account internal and external factors, making reasoned decisions and judgements and, where appropriate, recommending a course of action from alternatives c) use written expression that conveys appropriate meaning, using accurate, specialist vocabulary.

AS Performance Descriptions, *continued*

	Assessment Objective 1	Assessment Objective 2	Assessment Objective 3
<b>E/U boundary performance descriptions</b>	<p>Candidates characteristically:</p> <p>a) demonstrate a basic knowledge and understanding of accounting principles, concepts and techniques.</p>	<p>Candidates characteristically:</p> <p>a) apply limited knowledge and understanding of accounting principles and concepts</p> <p>b) select and apply some appropriate techniques for use in familiar situations.</p>	<p>Candidates characteristically:</p> <p>a) analyse problems, issues and situations drawn from the AS specification in a limited manner, by selecting, ordering and using some appropriate data</p> <p>b) evaluate accounting information by taking into account internal and external factors, making limited decisions and judgements</p> <p>c) use written expression that conveys some meaning, using limited specialist vocabulary.</p>

## A2 Performance Descriptions

	<b>Assessment Objective 1</b>	<b>Assessment Objective 2</b>	<b>Assessment Objective 3</b>
<b>Assessment Objectives</b>	<p><b>Demonstrate knowledge and understanding</b> Demonstrate knowledge and understanding of accounting principles, concepts and techniques.</p>	<p><b>Application</b> Select and apply knowledge and understanding of accounting principles, concepts and techniques to familiar and unfamiliar situations.</p>	<p><b>Analysis and evaluation</b> Order, interpret and analyse accounting information in an appropriate format. Evaluate accounting information, taking into consideration internal and external factors to make reasoned judgements, decisions and recommendations, and assess alternative courses of action using an appropriate form and style of writing.</p>
<b>A/B boundary performance descriptions</b>	<p>Candidates characteristically:</p> <p>a) demonstrate a depth of knowledge and understanding of accounting principles, concepts and techniques.</p>	<p>Candidates characteristically:</p> <p>a) apply a depth of knowledge and understanding of accounting principles and concepts</p> <p>b) select and apply appropriate techniques for use in familiar and unfamiliar situations, drawn from the AS and A2 specifications, as appropriate.</p>	<p>Candidates characteristically:</p> <p>a) analyse problems, issues and situations drawn from the AS and A2 specifications in a clear, coherent and effective manner:</p> <ul style="list-style-type: none"> <li>• select, order and use appropriate data</li> <li>• evaluate accounting information, taking into account internal and external factors</li> <li>• make reasoned judgements</li> </ul> <p>b) recommend a course of action based on appropriate decisions</p> <p>c) use written expression that conveys appropriate meaning, using accurate, specialist vocabulary.</p>

A2 Performance Descriptions, *continued*

	Assessment Objective 1	Assessment Objective 2	Assessment Objective 3
<b>E/U boundary performance descriptions</b>	<p>Candidates characteristically:</p> <p>a) demonstrate some knowledge and understanding of accounting principles, concepts and techniques.</p>	<p>Candidates characteristically:</p> <p>a) apply some knowledge and understanding of accounting principles and concepts</p> <p>b) select and apply some appropriate techniques for use in familiar and unfamiliar situations, drawn from the AS and A2 specifications, as appropriate.</p>	<p>Candidates characteristically:</p> <p>a) analyse problems, issues and strategies drawn from the AS and A2 specifications:</p> <ul style="list-style-type: none"> <li>• select, order and use data</li> <li>• evaluate accounting information, taking into account internal and external factors</li> <li>• make some reasoned judgements</li> </ul> <p>b) use written expression adequate to convey meaning, including some specialist vocabulary.</p>

## B Spiritual, Moral, Ethical, Social and Other Issues

Whilst financial and legislative considerations are of major importance in any study of accounting, the subject can also contribute to candidates' understanding of spiritual, moral, ethical, social and cultural issues. Candidates are encouraged to consider the non-financial aspects of accounting which question profitability as the sole or main determinant of policy. For example, in Unit 4, the social aspects of accounting can be explored in a variety of situations, such as the closure of an unprofitable business in a deprived area, the replacement of labour by advanced technology, the effects of redundancy and early retirement on the labour force, the effects of using non-renewable resources or dangerous materials on the environment, trading which has political and/or ethical implications (e.g. tobacco, arms), and excessive cost saving which affects adversely health and safety at work.

### European Dimension

AQA has taken account of the 1988 Resolution of the Council of the European Community in preparing this specification and associated specimen units.

### Environmental Education

AQA has taken account of the 1988 Resolution of the Council of the European Community and the 1993 report "*Environmental Responsibility: An Agenda for Further and Higher Education*" in preparing this specification and associated specimen units.

In particular, Unit 4 provides opportunities for candidates to consider the effects on the environment when decisions relating to costing and capital investment are made.

### Avoidance of Bias

AQA has taken great care in the preparation of this specification and specimen units to avoid bias of any kind.



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## C Overlaps with other Qualifications

There is a potential overlap between aspects of GCE Accounting and GCE Business Studies.

## D Key Skills – Teaching, Developing and Providing Opportunities for Generating Evidence

### Introduction

The Key Skills Qualification requires candidates to demonstrate levels of achievement in the Key Skills of Communication, Application of Number and Information Technology.

The units for the ‘wider’ Key Skills of Improving own Learning and Performance, Working with Others and Problem Solving are also available. The acquisition and demonstration of ability in these ‘wider’ Key Skills is deemed highly desirable for all candidates, but they do not form part of the Key Skills Qualification.

The units for each Key Skill comprise three sections:

- What you need to know
- What you must do
- Guidance.

Candidates following a course of study based on this specification for Accounting can be offered opportunities to develop and generate evidence of attainment in aspects of the Key Skills of:

- Communication
- Application of Number
- Information Technology
- Working with Others
- Improving own Learning and Performance
- Problem Solving.

Areas of study and learning that can be used to encourage the acquisition and use of Key Skills, and to provide opportunities to generate evidence for Part B of the units, are signposted on the next page.

The above information is given in the context of the knowledge that Key Skills at level 3 will be available until 2010 with last certification in 2012.

Key Skills Qualifications of Communication, Application of Number and Information and Communication Technology will be phased out and replaced by Functional Skills qualifications in English, Mathematics and ICT from September 2010 onwards. For further information see the AQA website:

**<http://web.aqa.org.uk/qual/keyskills/com04.php>**

## Key Skills Opportunities in AQA GCE Accounting

	Unit 1	Unit 2	Unit 3	Unit 4
<b>Communication</b>				
C3.1a	✓	✓	✓	✓
C3.1b	✓	✓	✓	✓
C3.2	✓	✓	✓	✓
C3.3	✓	✓	✓	✓
<b>Application of Number</b>				
N3.1	✓	✓	✓	✓
N3.2	✓	✓	✓	✓
N3.3			✓	✓
<b>Information Technology</b>				
ICT3.1	✓	✓	✓	✓
ICT3.2			✓	
ICT3.3		✓	✓	✓
<b>Working With Others</b>				
WO3.1	✓	✓	✓	✓
WO3.2	✓	✓	✓	✓
WO3.3	✓	✓	✓	✓
<b>Improving Own Learning and Performance</b>				
LP3.1	✓	✓	✓	✓
LP3.2	✓	✓	✓	✓
LP3.3	✓	✓	✓	✓
<b>Problem Solving</b>				
PS3.1			✓	✓
PS3.2			✓	✓
PS3.3				



## GCE Accounting (2120) 2009 onwards

Qualification Accreditation Number: AS 500/2325/1 - A Level 500/2329/9

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