



Qualifications and  
Curriculum Authority



Llywodraeth Cynulliad Cymru  
Welsh Assembly Government



*Rewarding Learning*

# **GCE AS and A level subject criteria for accounting**

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September 2006

QCA/06/2839

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# 1. Introduction

- 1.1 These subject criteria set out the knowledge, understanding, skills and assessment objectives common to all advanced subsidiary (AS) and advanced (A) level specifications in accounting. They provide the framework within which the awarding body creates the detail of the specification.

Subject criteria are intended to:

- help ensure consistent and comparable standards in the same subject across the awarding bodies
- define the relationship between the AS and A level specifications, with the AS level as a subset of the A level
- ensure that the rigour of A level is maintained
- help higher education institutions and employers know what has been studied and assessed.

Any GCE specification that contains significant elements of the subject of accounting must be consistent with the relevant parts of these subject criteria.

## 2. Aims

- 2.1 AS and A level specifications in accounting should encourage students 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.

## 3. Subject content

3.1 **AS** accounting specifications must include:

- purposes of accounting
- preparation of the accounting records of a sole trader:
  - accounting equation and double-entry bookkeeping
  - classification of capital and revenue expenditure
  - verification of accounting records:
    - trial balance
    - control accounts
    - correction of errors and suspense accounts
  - final accounts and adjustments
- accounting concepts
- analysis and evaluation of accounting statements
- an introduction to budgeting
- the impact of ICT in accounting.

3.2 **A2** accounting specifications must include:

- management accounting:
  - standard costing and variance analysis
  - absorption costing, marginal costing and decision making
  - capital appraisal
  - social implications of decision making
- published accounts of limited companies:
  - purposes, format and structure, analysis and evaluation
  - schedule of fixed assets
  - accounting standards
  - cash-flow statements
  - role of the auditor
- sources of finance.

## 4. Key skills

AS and A level specifications in accounting should provide opportunities for developing and generating evidence for assessing relevant key skills from the list below. Where appropriate these opportunities should be directly cross-referenced, at specified level(s), to the key skills standards, which may be found on the QCA website ([www.qca.org.uk](http://www.qca.org.uk)).

- Application of number
- Communication
- Improving own learning and performance
- Information and communication technology
- Problem solving
- Working with others

## 5. Assessment objectives

5.1 All candidates must meet the following assessment objectives. The assessment objectives are to be weighted in all specifications as indicated in the following table.

Assessment objectives		Weightings		
		AS level	A2 level	A level
AO1	<b>Demonstrate knowledge and understanding</b> Demonstrate knowledge and understanding of accounting principles, concepts and techniques.	30–40%	20–30%	25–35%
AO2	<b>Application</b> Select and apply knowledge and understanding of accounting principles, concepts and techniques to familiar and unfamiliar situations.	40–50%	40–50%	40–50%
AO3	<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.	20–30%	30–40%	25–35%

## **6. Scheme of assessment**

6.1 Assessment must be entirely through external assessment.

### **Synoptic assessment**

6.2 Synoptic assessment should be included and test candidates' understanding of the connections between different elements of the subject. It relates to all the assessment objectives.

Candidates should understand the purposes and concepts of accounting, be able to apply these concepts and to prepare, analyse and evaluate accounting records and statements.

The emphasis in synoptic assessment should be on candidates' ability to think as accountants and to use effectively the accountant's 'tool kit' of concepts, theories and techniques in familiar and unfamiliar situations.

### **Quality of written communication**

6.3 AS and A level specifications will be required to assess the candidates' quality of written communication in accordance with the guidance document produced by QCA.