

For exams January, May and November onwards
For teaching from September 2021 onwards

SPECIFICATION >

INTERNATIONAL AS AND A-LEVEL ACCOUNTING (7151)



Learning
Resource Network



THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2020

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BACKGROUND TO LRN

Learning Resource Network (LRN) is a recognised Awarding Organisation that offers a range of qualifications to candidates, educational institutes, training providers, schools and employers.

LRN is recognised for its high quality qualifications that enable candidates to progress to other areas of study and employment in their designated fields.

In producing its qualifications, LRN uses the experience and expertise of academics, professionals working in the pertinent industries and assessment practitioners with a wealth of best practice and knowledge of validation, verification, delivery and assessment.

ACCOLADES

Queen's Award

In April 2020, LRN received the Queen's Award for Enterprise for International Trade. LRN is one of 220 organisations in the UK to be recognised with this prestigious accolade. This was in recognition of the expansion LRN brought to the overseas qualification market.

MANAGEMENT SYSTEMS

LRN has been awarded international accreditation as part of its quality controls, policies, systems and overall approach to its management systems. These awards are externally validated by the British Assessment Bureau. LRN has achieved accreditation in the form of ISO 9001: Quality Management Systems, ISO 14001: Environment Management Systems and ISO 27001: Information Security Management Systems.

CUSTOMER SERVICE EXCELLENCE

LRN has achieved the prestigious award of Customer Service Excellence. This is in recognition of its customer service practices, approach to managing and dealing with UK and Overseas customer needs, including the diverse needs of its centres.

LRN was the first UK Awarding Organisation to achieve Customer Service Excellence. Following reaccreditation in 2019, LRN received an award for Customer Service Excellence: Compliance Plus, demonstrating that LRN went above and beyond the delivery of its customer service principles.



INTRODUCTION

This specification provides an overview to the LRN International AS & A Level Accounting¹. This document is suitable for various users, including candidates, centres, administrators, employers, parents/guardians, teachers (and other educational based staff) and examiners. The specification outlines the key features and administrative procedures required for this international qualification.

OBJECTIVE

The LRN International AS & A Level Accounting is designed to enable international candidates to demonstrate their ability across a broad range of advanced Financial Accounting, Cost Accounting and Management Accounting.

MODE OF DELIVERY

This qualification has been constructed to be delivered within centres. Centres will need to demonstrate to LRN, through the centre recognition processes, that they have the resources, facilities and competence to deliver. However, centres must be able to demonstrate, in line with LRN's criteria, that they have the means, capability, capacity and resources (including suitably qualified centre staff) to deliver by the method chosen by the centre.

PROGRESSION

The LRN International AS & A Level Accounting has been designed to reflect the wide variation in candidates' origins, levels of education and career aims. Progression opportunities may, therefore, take a variety of paths. Depending on the level of qualification achieved, it may be appropriate for the candidate to progress to:

1. Similar level 3 qualification in accounting;
2. LRN Level 3 Diploma in Pre-U Foundation Studies;
3. A higher level of any qualification – e.g.; HNC/HND or Degree'
4. Vocationally Related Qualifications

¹ LRN International AS/A Level are globally recognised qualifications designed specifically for international candidates and are available outside the United Kingdom. Candidates based in England refer to the Ofqual register.

QUALIFICATION OVERVIEW

Number	Subject Content	LRN International AS Level	LRN International A Level	AO	Exam
1	Introduction to Financial Accounting	✓ 1.1 to 1.4, 2.1 to 4.1 and 4.3 to 4.5 and 5.1 to 5.3	✓	1, 2 and 3	Combination of written exam papers (externally set and marked).
2	Introduction to Cost Accounting	✓ 1.1 to 2.11	✓	1, 2 and 3	AS Level
3	Introduction to Management Accounting	✓ 1.1 and 1.2	✓	1, 2 and 3	<p>Paper 1: Multiple choice questions.</p> <p>Duration: 1 hour</p> <p>Weighting: 32%</p> <p>Paper 2: Structured Questions</p> <p>Duration: 1 hour 30 minutes</p> <p>Weighting: 68%</p> <p>A Level</p> <p>Paper 1: Multiple choice questions.</p> <p>Duration: 1 hour</p> <p>Weighting: 16%</p> <p>Paper 2: Structured Questions</p> <p>Duration: 1 hour 30 minutes</p> <p>Weighting: 34%</p> <p>Paper 3: Structured Questions</p> <p>Duration: 3 hours</p> <p>Weighting: 50%</p>

BREAKDOWN OF ASSESSMENT OBJECTIVES

AO 1 – Demonstrate knowledge and understanding of accounting principles, concepts and techniques.

AO 2 – Apply knowledge and understanding of accounting principles, concepts and techniques.

AO 3 – Analyse and evaluate accounting data to:

- present information
- make judgements
- draw conclusions.

ASSESSMENT

The assessment for this qualification consists of written exam papers, set and marked by the LRN.

Assessment objectives (AOs)	Weighting		
	Paper 1	Paper 2	Paper 3
AO1	52%	20%	10%
AO2	30%	44%	48%
AO3	18%	36%	42%

GUIDED LEARNING HOURS (GLH)

The LRN International AS Level guided learning hours (GLH) are 180 and 360 guided learning hours for LRN International A Level. Please note the hours stated are indicative.

ENTRIES CODES

One entry per qualification is sufficient and will cover all the question papers including certification.

PRIVATE CANDIDATES

Centres are advised that private candidates are only to be enrolled with prior agreement and confirmation from LRN.

GRADING

The LRN International A Level will be graded on a six-point scale: A*, A, B, C, D and E and LRN International AS Level will be graded on a five-point scale: A, B, C, D and E. Candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.

RESULTS

Exam series are in:

- January (results released in March)
- June (results released in August)
- November (results released in January)

RE-TAKES

Whereas candidates can re-take each paper as often as they wish, within the shelf-life of the specification.

CUSTOMER SERVICE STATEMENT

Learning Resource Network (LRN) is committed to ensuring all customers are dealt with promptly and in a professional and helpful manner. In order to guarantee this, we commit to ensuring the following in our day to day interactions with candidates, assessment centres and our stakeholder network:

- All customers will be treated equally and with respect;
- All customer information will only be used in a way which has been agreed in advance, unless we are informed of something that places them or others at risk of harm;
- All customers will be treated by staff in a professional manner.

LRN has arrangements in place to provide a telephone and e-mail helpdesk which will be staffed from 09:00 to 17:00 from Monday to Friday. Furthermore, it will respond to each e-mail, letter or telephone message it receives regarding feedback on its qualifications, centre approvals process or other matters relating to its products and/or services. The timetable for responding is as follows:

- E-mail: 5 working days
- Letter: 5 working days
- Telephone message: 5 working days

DIVERSITY AND EQUALITY

Learning Resource Network (LRN) is committed to ensuring fair and equal access to its qualifications, examinations and support materials. Our Diversity and Equality policy seeks to eliminate unjustifiable discrimination, harassment and/or victimisation and to advance equality of opportunity, thereby ensuring all candidates are treated fairly, in accordance with the protected characteristics of the Equality Act 2010. Specifically, we comply fully with the requirements laid out in the Equality Act 2010. In addition, and within the constraints of this policy, LRN will have due regard for the General data Protection Regulations (GDPR) in the retention of information which is unnecessary.

1		Introduction to Financial Accounting	
Aim			
This subject content aims to provide learners an overview of preparation of financial accounts and statements, as well as their main purpose in accounting. Candidates will explore analysis of major accounting measures and communication of accounting information to external parties. The unit will highlight the significance of financial reporting skills and major accounting ratios in assessing business activity.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the stages of the accounting process.	1.1	Examine the purpose of the double entry system in the accounting cycle.
		1.2	Assess the significance and limitations of books of prime entry.
		1.3	Analyse the major phases of the audit process.
		1.4	Assess the role of an auditor in accounting.
		1.5	Examine the role and composition of board of directors in limited companies.
		1.6	Evaluate the objectives of Joint ventures and consignments.
		1.7	Explain the purpose of financial accounting.
2	Understand principles of accounting for non-current assets.	2.1	Analyse features of revenue and capital expenditures and incomes.
		2.2	Evaluate causes and consequences of depreciation.
		2.3	Evaluate reasons for accounting for depreciation.
3	Understand the aim of verification of accounting records.	3.1	Explore the objectives of reconciliation and verification of ledger and control accounts.
		3.2	Examine the role and limitations of control accounts.
		3.3	Assess the process of verification of double entry records.

4	Understand the goal of financial statements.	4.1	Examine the significance of financial statements in accounting.
		4.2	Assess the role of regulatory frameworks in preparation of financial statements.
		4.3	Differentiate between capital and revenue reserves.
		4.4	Evaluate the ways in which a company can issue shares.
		4.5	Judge the importance of true and fair view of financial statements.
5	Understand the significance of accounting information.	5.1	Analyse the requirement of interpretation and communication of financial data with respect to the decision making process.
		5.2	Evaluate profitability, liquidity and efficiency of a business by using ratio analysis.
		5.3	Examine the advantages and disadvantages of computerised accounting system.
		5.4	Analyse the main components of a computerised accounting system.
		5.5	Explain methods to ensure integrity while implementing computerised accounting system.
		5.6	Evaluate the following ratios and analyse conclusions: (i) dividend yield, cover and per share, (ii) working capital cycle, (iii) networking assets to revenue, (iv) gearing and income gearing, (v) earnings per share, (vi) price earnings ratio.
		5.7	Assess the strengths and limitations of ratio analysis and financial statements.
6	Understand the nature of accounting for manufacturing businesses.	6.1	Differentiate between trading and manufacturing accounts.
		6.2	Examine accounting for and elimination of unreleased profit resulting from manufactured goods.

7	Understand the purpose of International Accounting Standards (IAS).	7.1	Explain the main purpose of International Accounting Standards (IAS).
		7.2	Evaluate main provisions of the following International Accounting Standards (IAS): (i) IAS 1, (ii) IAS 2, (iii) IAS 7, (iv) IAS 8, (v) IAS 10, (vi) IAS 16, (vii) IAS 36, (viii) IAS 37 and (ix) IAS 38
		7.3	Assess strengths and limitations of International Accounting Standards (IAS).
		7.4	Analyse the basic objectives of ethical behaviour in International Accounting.
8	Understand the role of merger and Business purchases.	8.1	Examine the aim of main types of mergers within businesses.
		8.2	Evaluate strengths and limitations of a merger.
9	Be able to demonstrate a practical application of basic principles of financial accounting.	9.1	Prepare the following: (i) ledger accounts, (ii) trial balance and (iii) journal entries.
		9.2	Apply basic accounting concepts to scenarios, such as: (i) Double entry system, (ii) accounting equation, (iii) money measurement, (iv) going concern, (v) business entity, (vi) historic cost, (vii) consistency, (viii) duality, (ix) prudence, (x) realisation, (xi) substance over form, (xii) matching, (xiii) materiality.
		9.3	Calculate the profits for consignments and joint ventures.
		9.4	Calculate the following: (i) Depreciation, (ii) profit or (iii) loss on acquisition and disposal of non-current assets.
		9.5	Calculate adjustments for following requirements: (i) Depreciations, (ii) prepayments, (iii) inventory, (iv) accruals, (v) doubtful and irrecoverable debts.

		9.6	Prepare the following from accounting data: (i) Income statement and statement of financial position for sole trader, (ii) Income statement, statement of financial position and appropriation account for a partnership, (iii) partner`s Capital and Current accounts, (iv) Statement of financial position, income and cash flow statements for limited companies, (v) Statement of changes in equity, (vi) statement of financial position, trading, income and expenditure accounts for non profit making organisations.
		9.7	Calculate main subcategories of the following ratios by using ratio analysis: (i) Profitability, (ii) Liquidity and (iii) Efficiency ratios.
		9.8	Prepare the following accounts for manufacturing businesses: (i) Profit, (ii) Loss, (iii) Manufacturing and (iv) Trading.
		9.9	Prepare entries in ledger accounts to record the following: (i) Merger of a partner`s sole trader business to form a larger partnership, (ii) merger of a partner`s sole trader`s business, (iii) acquisition of a partner`s limited company or a sole trader`s business.
		9.10	Prepare the following from accounting records: (i) Purchase and sales ledger control accounts, (ii) bank reconciliation statement.

2	Introduction to Cost Accounting		
Aim <p>This subject content introduces learners to cost behaviour of recording, analysing and reporting all of business's costs regarding production. Learners will be introduced to the purpose and measurement of variable costs and fixed costs of production stages. The unit will focus on strengths and limitations of traditional costing methods such as absorption, marginal, activity based and standard costing.</p>			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the nature of cost behaviour.	1.1	Analyse the purpose of accounting for labour and material costs in accounting.
1.2		Evaluate the following costs: (i) Fixed, (ii) variable, (iii) semi variable, (iv) stepped costs.	
1.3		Examine the features of direct and indirect labour and materials.	
1.4		Evaluate the main methods to calculate closing inventory.	
1.5		Analyse main methods of remuneration for calculation of labour costs.	
1.6		Explore the major methods of inventory valuation such as: (i) Last in first out (LIFO), (ii) First in first out (FIFO), (iii) Net realisable value (NRV), (iv) Average cost of stock (AVCO).	
1.7		Explain the purpose of cost accounting.	
1.8		Differentiate between external and internal sources of finance.	

2	Understand the significance of traditional costing methods.	2.1	Assess the significance of traditional costing methods in accounting.
		2.2	Analyse the causes and features of over and underheads.
		2.3	Explore advantages and disadvantages of absorption costing.
		2.4	Examine the costing method of marginal costing.
		2.5	Assess the advantages and disadvantages of break even charts.
		2.6	Evaluate the process and data of cost-volume-profit analysis.
		2.7	Evaluate the purpose and application of standard costing.
		2.8	Explain the causes and consequences of variances within standard costing.
		2.9	Explore strengths and limitations of standard costing method.
		2.10	Explore the phases in development of the standard costing system.
		2.11	Analyse the following terms: (i) direct and (ii) indirect costs, (iii) fixed costs, (iv) variable and (v) semi variable costs.
		2.12	Evaluate the use of activity-based costing.
		2.13	Explain the purpose of activity cost pools.
3	Be able to demonstrate a practical application of techniques of cost accounting.	3.1	Calculate the following: (i) Overhead absorption rates, (ii) allocation, (iii) and apportion of overhead expenditures between production and services.
		3.2	Prepare the following from accounting information: (i) statement reconciling the reported profit using traditional costing methods, (ii) break even chart.
		3.3	Calculate the following: (i) Break even point, (ii) contribution of a product, (iii) margin of safety, (iv) contribution to sales ratio.
		3.4	Apply traditional costing methods on scenarios for decision making.

		3.5	Calculate the following: (i) Sales volume and price, (ii) fixed overhead expenditures, efficiency, volume and capacity, (iii) direct labour rate and efficiency, (iv) direct material price and usage, (v) reconcile standard cost to actual cost and standard profit to accrual profit, (vi) variances.
		3.6	Recommend an appropriate course of action to limiting factors.

3		Introduction to Management Accounting	
Aim			
This subject content focuses on familiarising learners with the role of Management Accounting in efficient decision making by maximising profits through presentation of financial and statistical data to predict inconsistencies. The unit aims to highlight the significance of budgeting in organisations. Learners will explore core topics of financial management and their role in appraising the performance of a new project.			
Learning Outcomes - The learner will:		Assessment Criteria - The learner can:	
1	Understand the interrelationship of accounting to business planning.	1.1	Explore the significance of management accounting.
		1.2	Evaluate the role of budgeting as a planning and control tool.
		1.3	Assess the stages involved in preparation of a budgetary control system.
		1.4	Judge advantages and disadvantages of budgeting and budgetary control.
		1.5	Analyse the limitations associated with budgeting and budgetary control system.
		1.6	Evaluate the features of actual and flexed budgeted data.
		1.7	Assess the impact of ethical behaviour on accounting.
2	Understand the structure of investment appraisal.	2.1	Evaluate the objective of investment appraisal.
		2.2	Evaluate main capital investment appraisal techniques such as: (i) Payback, (ii) internal rate of return, (iii) net present value, (iv) accounting rate of return.
		2.3	Evaluate sensitivity analysis techniques on accounting data.
		2.4	Analyse the usage of discounting techniques in accounting.
3	Be able to demonstrate a practical application of management accounting.	3.1	Prepare the following budgets: (i) Purchases, (ii) production, (iii) labour, (iv) sales), (v) cash, (vi) trade receivables and payables, and (vii) master budget.
		3.2	Calculate the following: (i) future net cash inflows, (ii) outflows from the project, (iii) investment appraisal outcomes, (iv) payback, and (v) net present value.

		3.3	Analyse data and recommend business decisions using management accounting tools.
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