

REVISION GUIDE

The Nature and Purpose of Accounting

Chp 1

- ❑ Users of accounting information
- ❑ Reasons for the need of accounting information
 - a record of past transactions
 - a tool for sound business decisions

SEC 2015 Paper 1 Question 11(a) and Question 12 (a)

SEC 2016 Paper 1 Question 11(c)

The Principle of Double Entry

Chp 2 - 7

- ❑ The accounting equation
- ❑ The ledger i.e. the principle book of accounts
- ❑ Recording entries in the ledger using the traditional 'T' form accounts
 - Accounting for assets, liabilities and capital
 - Accounting for inventory of goods
 - Accounting for income and expenses
- ❑ Balancing off accounts
- ❑ The interpretation of remaining balances
- ❑ Types of accounts

SEC 2009 Paper 2A Question 4

The Trial Balance

Chp 9 - 10

- ❑ The extraction of a trial balance
- ❑ Why it should agree i.e. the effects of transaction on a Trial Balance
- ❑ Errors revealed by the Trial Balance
- ❑ Errors not revealed by a Trial Balance

SEC 2009 Paper 2A Question 3 (iii) and (iv)

SEC 2010 Paper 1 Question 13 (b)

The Preparation of the Financial Statements of a Sole Trader

Chp 11

- ❑ The Trading Account
- ❑ The Profit and Loss Account
- ❑ The Statement of Financial Position
- ❑ Vertical Presentation of Accounting Information

SEC 2017 Paper 2A Question 1

The Cash Book

Chp 13

- ☐ The purpose of a two-column and three-column cash book
- ☐ The recordings of cash discounts
- ☐ The transfer of cash discounts to the general ledger
- ☐ Drawing up a cash book and balancing contra entries

SEC 2009 Paper 1 Question 4 (a), (b)

SEC 2010 Paper 2B Question 7

SEC 2014 Paper 2B Question 2

The Petty Cash Book

Chp 14

- ☐ The drawing up of petty cash book and the imprest system
- ☐ The purpose of a petty cash book

SEC 2014 Paper 2B Question 6

The Day Books

Chp 15

- ☐ Understand the purpose of Day Books
- ☐ Source of information used to complete the Day Books
- ☐ The recordings of purchases, sales and returns in the appropriate Day Book using analysis columns (Chapter 28)
- ☐ The transfer of totals to the general ledger

SEC 2010 Paper 1 Question 13 (a), (c)

SEC 2012 Paper 2B Question 7

The Journal

Chp 16

- ☐ Opening a set of books
- ☐ To correct errors
- ☐ To write off bad debts
- ☐ Purchase/sale of fixed assets on credit
- ☐ To record unusual transactions
- ☐ To transfer to the final accounts

SEC 2010 Paper 1 Question 13 (e)

Accounting Concepts

Chp 18

- ☐ An elementary knowledge of accounting concepts
- ☐ Their effects on the recording and preparation of final accounts

SEC 2010 Paper 1 Question 12 (d)

SEC 2014 Paper 1 Question 13 (e)

SEC 2015 Paper 1 Question 12 (b)

SEC 2016 Paper 1 Question 11 (a) and (b)

SEC 2017 Paper 1 Question 11 (a) – (d)

Accruals and Prepayments

Chp 19

- ☐ Be able to calculate accruals and prepayments
- ☐ Be able to complete accounts where both accruals and prepayments may arise at the same time
- ☐ Transfers to the profit and loss account and/or SoFP entries in the above cases

SEC 2012 Paper 2A Question 3 (a) – (c)

SEC 2014 Paper 2A Question 3

SEC 2014 Paper 2B Question 5 (b) and (c)

SEC 2015 Paper 2B Question 7 (b) – (d)

Irrecoverable Debts and Doubtful Debts

Chp 20

- ☐ The distinction between an irrecoverable debt and a doubtful one
- ☐ The need for an allowance for doubtful debts
- ☐ The calculation and recording of allowance for doubtful debts
- ☐ The treatment of irrecoverable debts
- ☐ The recording of irrecoverable debts recovered
- ☐ Transfers to the profit and loss account and/or SoFP entries in the above cases

SEC 2009 Paper 1 Question 5 (e)

SEC 2009 Paper 2A Question 5

SEC 2011 Paper 1 Question 12 (a) and (b)

SEC 2012 Paper 2A Question 3 (d)

SEC 2015 Paper 2B Question 7 (a)

Depreciation of Non-Current Assets

Chp 21

- ☐ The meaning of depreciation
- ☐ The necessity to provide for depreciation
- ☐ Different methods of depreciation: straight line, reducing balance and revaluation methods
- ☐ The application of depreciation methods in different circumstances
- ☐ The recording of depreciation in the allowance for depreciation account
- ☐ The non-current asset disposal account

- ❑ Transfers to the profit and loss account and/or the Statement of Financial Position entries in the above cases

SEC 2009 Paper 2B Question 6

SEC 2010 Paper 1 Question 12 (c) and (e)

SEC 2010 Paper 2A Question 5

SEC 2011 Paper 1 Question 12 (c) – (e)

SEC 2012 Paper 2A Question 4

SEC 2013 Paper 1 Question 13

SEC 2014 Paper 2A Question 4

SEC 2015 Paper 2B Question 4

SEC 2016 Paper 2A Question 2

SEC 2017 Paper 2A Question 2 (a) – (c)

Capital and Revenue Expenditure

Chp 23

- ❑ Differentiate between capital and revenue expenditure
- ❑ The effects of capital and revenue expenditure on financial statements

SEC 2010 Paper 1 Question 12 (a) and (b)

SEC 2015 Paper 1 Question 13 (c)

Control Accounts

Chp 24

- ❑ The purpose of trade receivables' and trade payables' control accounts
- ❑ The documents used to draw up the control accounts
- ❑ The drawing up of the control accounts

SEC 2009 Paper 1 Question 5 (a), (c) and (d)

SEC 2009 Paper 2B Question 8

SEC 2010 Paper 2B Question 6

SEC 2011 Paper 1 Question 12

SEC 2012 Paper 2B Question 6

SEC 2013 Paper 2A Question 5 (a) and (b)

SEC 2014 Paper 2B Question 3

SEC 2015 Paper 1 Question 13 (e – i and ii)

SEC 2017 Paper 2A Question 3 (a) and (b)

Correction of Errors and the Suspense Account

Chp 26

- ❑ The recording of correction of errors in the journal
- ❑ The use of a suspense account for those errors that affect the agreement of the totals of the trial balance
- ❑ Statement of corrected net profit i.e. the effects of errors on the calculation of profits

SEC 2009 Paper 1 Question 4 (e)
SEC 2009 Paper 2A Question 3 (i) and (ii)
SEC 2009 Paper 2B Question 3
SEC 2011 Paper 2A Question 3
SEC 2012 Paper 1 Question 13 (e)
SEC 2012 Paper 2B Question 1
SEC 2013 Paper 2A Question 3
SEC 2014 Paper 1 Question 14 (e)
SEC 2015 Paper 2A Question 1
SEC 2015 Paper 2B Question 3
SEC 2016 Paper 2A Question 4

Departmental Accounts

Chp 28

- ☐ The need for such accounts
- ☐ Direct allocation of expenses and the apportionment of expenses
- ☐ The preparation of the final accounts and Statement of Financial Position

SEC 2009 Paper 1 Question 1 (a) – (c), (e)
SEC 2009 Paper 2B Question 6
SEC 2011 Paper 1 Question 14 (a) and (b)
SEC 2012 Paper 1 Question 12 (e)
SEC 2013 Paper 1 Question 11 (e)
SEC 2013 Paper 1 Question 12 (a)
SEC 2014 Paper 2B Question 7
SEC 2015 Paper 2A Question 5
SEC 2015 Paper 2B Question 5
SEC 2017 Paper 2A Question 4

Manufacturing Accounts

Chp 30

- ☐ Purpose of manufacturing accounts
- ☐ Distinction between
 - Direct production costs and factory overheads
 - Fixed and variable overheads
 - Prime costs and total factory costs
- ☐ The accounting treatment of the different types of closing inventories

SEC 2009 Paper 2B Question 7
SEC 2010 Paper 1 Question 11
SEC 2012 Paper 1 Question 12 (a) – (d)
SEC 2012 Paper 2A Question 5
SEC 2013 Paper 1 Question 12 (b) and (e)
SEC 2014 Paper 1 Question 12
SEC 2015 Paper 2A Question 4
SEC 2015 Paper 2B Question 6
SEC 2016 Paper 1 Question 13 (e)
SEC 2017 Paper 2A Question 5

Vat and Indirect Taxation

Chp 35

- ❑ The meaning of VAT
- ❑ The calculation of VAT
- ❑ The recording of VAT in the ledger accounts

SEC 2003 Paper 1 Question 1 (e)

SEC 2005 Paper 1 Question 4 (ii)

The Valuation of Inventory

Chp 36

- ❑ Inventory is valued at the lower of cost or net realizable value

ADDITIONAL QUESTIONS

SEC 2010 Paper 2A Question 1

SEC 2010 Paper 2A Question 2 (i) and (ii)

SEC 2011 Paper 2A Question 2

SEC 2013 Paper 2A Question 1