



**ST. FRANCIS**  
**METHODIST SCHOOL**  
*Possibilities to Realities*

## **Curriculum Description for Singapore-Cambridge GCE 'O' Level**

### **PRINCIPLES OF ACCOUNTING (7118)**

This course aims to provide students with an understanding of the basic fundamentals of accounting. Students should acquire understanding of the rationale and underlying principles behind accounting information. Basic double entry book-keeping will be taught, in which students will develop the ability to prepare, present and analyze financial statements.

Computer IT skills pertinent to accounting will be taught although it will not be required as a tool in examinations. Rather, the aim is to develop an appreciation of the computer as an aid to the preparation of accurate accounting information through the use of accounting application software.

### **SYLLABUS CONTENT**

The arrangement of the topics in this section is not an indication of the sequence in which they should be taught.

#### **1 THE ROLE OF ACCOUNTING**

- 1.1 Book-keeping and Accounting
- 1.2 Accounting Principles

#### **2 DOUBLE ENTRY SYSTEM OF BOOK-KEEPING**

- 2.1 The Accounting Equation
- 2.2 - The Double Entry System
- 2.3 Source Documents
- 2.4 Books of Prime Entry
  - 2.4.1 Purchases Journal
  - 2.4.2 Purchases Returns Journal OR
  - 2.4.3 Sales Journal
  - 2.4.4 Sales Returns Journal or
- 2.5 The General Journal
- 2.6 The Cash Book
  - 2.6.1 Bank Reconciliation Statement
  - 2.6.2 Petty Cash
- 2.7 The Ledger
- 2.8 The Trial Balance

### 3 ACCOUNTING PROCEDURES

- 3.1 Capital and Revenue Expenditure
- 3.2 Accounting for Depreciation
- 3.3 Adjustments of Ledger Accounts
  - 3.3.1 Accruals and Prepayments
  - 3.3.2 Bad Debts and Provision for Doubtful Debts
- 3.4 Correction of Errors
- 3.5 Control Accounts

### 4 FUNDAMENTALS OF PREPARING THE FINAL ACCOUNTS

- 4.1 Trading Account
- 4.2 Profit and Loss Account
- 4.3 Balance Sheet

### 5 PREPARATION OF FINAL ACCOUNTS

- 5.1 Sole Trader
- 5.2 Partnership
  - 5.2.1 Amalgamation of Businesses
- 5.3 Incomplete Records

### 6 ANALYSIS AND INTERPRETATION OF FINAL ACCOUNTS

- 6.1 Financial Relationships

### **SCHEME OF ASSESSMENT**

#### **Paper 1 (40%) 1 hour**

3 to 4 compulsory structured questions (40 marks)

In Paper 1 candidates will write their answers on the question paper.

#### **Paper 2 (60%) 2 hours**

4 structured questions (60 marks)

Section A (48 marks)

3 compulsory structured questions

Section B (12 marks)

Choose 1 out of 2 structured questions

In Paper 2 Section A will have one question on the preparation of final accounts, which carries 20 marks. Candidates will be provided with multi-column accounting stationery for answering questions in this Paper.