



Course Outline

IGCSE ACCOUNTING Year 10

Inspiring excellence, empowering global minds

Please find the full specification link below

[Edexcel IGCSE Accounting - Specification.pdf](#)

Syllabus overview Aims.

The aims of this qualification are to enable learners to understand the nature and purpose of accounting in businesses and organizations, as well as the principles on which accounting is based. It also focuses on the use of accounting as an aid to business decision-making and as a means of assessing the financial position of an organization. Additionally, learners will develop the ability to quantify information, judge its relevance, and write clear and concise explanations.

Learning Outcomes

The IGCSE (International General Certificate of Secondary Education) accounting syllabus is designed to provide students with a foundational understanding of accounting principles and practices. This qualification is typically taken by students in the 14-16 age range, and it serves as a solid foundation for those who may wish to pursue further studies in accounting or related fields. The IGCSE accounting syllabus focuses on developing the skills and knowledge required to understand and apply accounting principles in various business contexts. Students may also be required to demonstrate problem-solving and analytical skills in practical accounting scenarios. Below is an overview of the IGCSE accounting syllabus:

- In this unit, learners will be assessed on their knowledge, understanding and skills related to the fundamental principles of accounting and bookkeeping.
- The unit is divided into three topics:
 - Topic 1: The accounting environment
 - Topic 2: Introduction to bookkeeping
 - Topic 3: Introduction to control processes
- Unit 1 will draw exclusively from topics 1-3.

Ongoing Objectives

The aims of the Physical Education Syllabus are to encourage and enable children,

- Understanding the purpose and importance of accounting.
- Differentiating between financial and management accounting.
- Understanding the fundamental accounting equation: $\text{Assets} = \text{Liabilities} + \text{Equity}$.
- Learning how to represent transactions using this equation.
- Introduction to the double-entry system and the concept of debits and credits.

- Recording and balancing transactions.
- Exploring the use of various books like the cash book, sales daybook, and purchases day book.
- Learning to record transactions in these books.
- Creating ledger accounts.
- Preparing a trial balance to check the accuracy of the ledger accounts.
- Preparing basic financial statements, including the income statement (profit and loss account) and the balance sheet.
- Analyzing these statements to assess the financial performance of a business.
- Introduction to cash flow statements and their importance in assessing liquidity.
- Preparing a simple cash flow statement.
- Basic financial ratios and how to interpret them.
- Understanding the purpose of control accounts and how to prepare them.
- Reconciling control accounts with subsidiary ledgers.
- Preparing final accounts for a sole trader, including adjustments for depreciation and bad debts.
- Handling accounting for businesses with incomplete records.
- Introduction to partnership accounting, including the preparation of partnership accounts.
- Understanding the basics of limited company accounting, including the preparation of a simple income statement and balance sheet.
- Overview of accounting for non-profit organizations, including the preparation of income and expenditure accounts.
- Internal controls and the importance of safeguarding assets.

Unit Overview

Term 1

Unit 1 - Types of business organisation

Approximate length: 2 weeks

Understanding the various types of business organizations is essential, as they include sole proprietorships, partnerships, limited liability companies (LLCs), corporations, cooperatives, and non-profit organizations. A sole proprietorship is owned by one individual who is personally liable for debts, while partnerships involve two or more individuals sharing responsibilities and profits. LLCs combine features of corporations and partnerships, providing limited liability to members. Corporations are separate legal entities with shareholders enjoying limited liability and facing corporate taxation. Cooperatives are member-owned organizations that share profits based on participation, and non-profit organizations operate for charitable purposes without distributing profits to members. Each type has unique advantages and implications for accounting practices, financial reporting, and compliance.

Objectives Covered:

- a) Explain the characteristics of:
- public sector organisations
 - private sector organisations

- sole traders
 - partnerships.
- b) Explain the connection between stakeholders and a business, identifying the stakeholders' use of the business's financial statements.

Unit 2 - Accounting concepts

Approximate length: 2 weeks

Key accounting concepts guide financial statement preparation and interpretation, including the accruals concept, which records income and expenses when earned or incurred; the consistency concept, which mandates the use of the same accounting methods over time for comparability; and the going concern concept, which assumes the business will continue operating in the foreseeable future. Additionally, the prudence concept advises caution in estimates to avoid overstating assets and income, while the entity concept distinguishes the business's financial affairs from those of its owners. Lastly, the materiality concept emphasizes the inclusion of significant information in financial statements, ensuring that users receive accurate and reliable financial reporting.

Objectives Covered:

- a) Understand the significance of the following accounting concepts:
- consistency
 - prudence
 - accruals
 - materiality
 - money measurement
 - business entity.

Unit 3 - Use of technology in accounting

Approximate length: 2 weeks

the use of technology has significantly transformed accounting practices, enhancing efficiency and accuracy in financial management. Accounting software, such as QuickBooks and Sage, automates various tasks, including bookkeeping, invoicing, and financial reporting, allowing businesses to manage their finances more effectively. Technology also facilitates real-time data access, enabling accountants to analyze financial information promptly and make informed decisions. Furthermore, cloud-based accounting systems provide secure storage and accessibility of financial data from anywhere, promoting collaboration and reducing the risk of data loss. Additionally, advancements in artificial intelligence (AI) and machine learning are streamlining processes like data entry and fraud detection, minimizing human error and improving accuracy. Overall, the integration of technology in accounting not only enhances productivity but also allows for better financial insights and strategic planning.

Objectives Covered:

- a) Explain the benefits of using technology within accounting:
- accounting software
 - spreadsheets.
- b) Explain the issues regarding the security of data:
- data loss
 - access
 - confidentiality.

c) Explain the methods of protecting data:

- hardware and software.

Unit 4 - Professional ethics

Approximate length: 4 weeks

Professional ethics play a crucial role in guiding accountants' conduct and decision-making processes. Ethical principles ensure that accountants uphold integrity, objectivity, confidentiality, and professional behavior in their work. Integrity requires accountants to be honest and transparent in all financial reporting and communication, while objectivity mandates that they remain impartial and avoid conflicts of interest. Confidentiality emphasizes the importance of protecting sensitive information obtained in the course of professional duties, ensuring that it is not disclosed without proper authority. Additionally, professional behavior entails adhering to relevant laws and regulations, as well as maintaining a high standard of conduct that reflects positively on the profession. By embracing these ethical principles, accountants contribute to public trust and confidence in financial reporting, ultimately fostering accountability and transparency in the business environment.

Objectives Covered:

- a) Describe the principles of professional ethics.
- b) Apply the principles of professional ethics to accounting roles and functions.
- c) Explain the concept of public interest and how it is applied to accounting roles and functions.

Unit 5 - Business documentation

Approximate length: 4 weeks

Business documentation refers to the various records and documents that facilitate the recording, processing, and reporting of financial transactions. These documents are essential for maintaining accurate financial records and ensuring compliance with accounting standards. Key types of business documentation include invoices, receipts, purchase orders, bank statements, and financial statements. Invoices serve as requests for payment, detailing goods or services provided, while receipts confirm payment received. Purchase orders are formal requests to suppliers for goods or services, and bank statements provide a summary of transactions within a bank account, aiding in reconciliation processes. Financial statements, such as the income statement, balance sheet, and cash flow statement, summarize a business's financial performance and position. Proper management of business documentation is critical for effective financial control, audit trails, and decision-making, as it provides the necessary evidence to support financial reporting and analysis.

Objectives Covered:

- a) Explain the purpose of business documents.
- b) Prepare the following business documents:
 - purchase order
 - purchase invoice
 - sales invoice
 - credit note
 - statement of account
 - remittance advice
 - petty cash voucher.
- c) Prepare a cash receipt.

Term 2

Unit 6 - Books of original entry

Approximate length: 4 weeks

Books of original entry, also known as journals, are essential records where financial transactions are initially documented before being posted to the general ledger. These books serve as the first point of entry for various types of transactions, ensuring accurate and systematic recording. Key types of books of original entry include the sales journal, which records all credit sales; the purchases journal, which captures all credit purchases; the cash book, which tracks cash receipts and payments; and the general journal, used for recording miscellaneous transactions that do not fit into other specific journals. By maintaining organized and detailed records in the books of original entry, businesses can ensure that their financial data is accurate and complete, facilitating easier tracking and reconciliation of accounts. This foundational aspect of accounting is critical for effective financial management and reporting, as it supports the integrity of the overall accounting system..

Objectives Covered:

- a) Explain the purpose of books of original entry.
- b) Prepare the following books of original entry:
 - purchases day book
 - sales day book
 - purchases returns book
 - sales returns book
 - three-column cash book
 - petty cash book
 - the journal.

Unit 7 - Ledger accounting

Approximate length: 4 weeks

Ledger accounting involves the systematic organization of financial transactions recorded in the books of original entry into individual accounts within the general ledger. The general ledger serves as the central repository for all financial data, where each account reflects specific categories such as assets, liabilities, equity, revenue, and expenses. Transactions from the books of original entry are posted to the appropriate ledger accounts, ensuring that each account is updated accurately and reflects the current balance. The ledger accounts facilitate a clearer understanding of a business's financial position by allowing for the tracking of individual account activities over time. Additionally, subsidiary ledgers, such as the accounts receivable and accounts payable ledgers, provide detailed information on specific transactions related to customers and suppliers. Regular reconciliation of ledger accounts is essential for maintaining accurate financial records, supporting financial reporting, and ensuring compliance with accounting standards. Overall, ledger accounting is a foundational practice that enables businesses to analyze their financial performance and make informed decisions.

Objectives Covered:

- a) Explain the purpose of the:
 - nominal ledger
 - receivables ledger
 - payables ledger.

b) Record transactions in ledger accounts using double entry principles.

Unit 8 - Capital expenditure and revenue expenditure

Approximate length: 4 weeks

Ledger accounting involves the systematic organization of financial transactions recorded in the understanding the distinction between capital expenditure and revenue expenditure is crucial for accurate financial reporting and decision-making. **Capital expenditure** refers to the funds spent on acquiring or improving long-term assets, such as property, equipment, and vehicles, that will benefit the business over multiple accounting periods. These expenditures are capitalized on the balance sheet and depreciated over their useful lives, reflecting their gradual consumption. On the other hand, **revenue expenditure** pertains to the costs incurred for the day-to-day operations of the business, such as rent, utilities, and salaries. These expenses are typically consumed within the accounting period in which they are incurred and are recorded on the income statement, directly impacting the net profit of the business. Properly categorizing these expenditures is essential, as it affects financial analysis, tax calculations, and overall financial health assessment of the business. Understanding the differences between capital and revenue expenditure helps businesses manage their finances effectively and plan for future investments.

Objectives Covered:

a) Explain the terms:

- capital expenditure
- revenue expenditure.

b) Explain the importance of the correct treatment of capital expenditure and revenue expenditure.

Unit 9 - Depreciation

Approximate length: 4 weeks

depreciation refers to the systematic allocation of the cost of a tangible fixed asset over its useful life. This accounting process recognizes that assets, such as machinery, vehicles, and buildings, lose value over time due to wear and tear, obsolescence, or age. Depreciation is essential for accurately reflecting the value of assets on the balance sheet and for calculating expenses on the income statement. There are several methods of calculating depreciation, with the most common being the straight-line method, which spreads the cost evenly over the asset's useful life, and the reducing balance method, which applies a fixed percentage to the diminishing value of the asset each year. By recording depreciation, businesses can match the cost of using the asset with the revenue it generates, ensuring that financial statements provide a true and fair view of the company's financial performance and position. Understanding depreciation is critical for effective asset management, tax planning, and financial analysis.

Objectives Covered:

a) Explain the causes of depreciation.

b) Distinguish between straight line and reducing balance methods of depreciation.

c) Calculate and record depreciation in the books of account.

d) Calculate and record profit or loss of disposal of non-current assets.

Term 3

Unit 10- Irrecoverable debts

Approximate length: 4 weeks

Irrecoverable debts, also known as bad debts, refer to amounts owed to a business that are deemed uncollectible. These debts arise when customers fail to fulfill their payment obligations due to factors such as bankruptcy, financial difficulties, or disputes. Recognizing irrecoverable debts is crucial for maintaining accurate financial records, as they directly affect a company's accounts receivable and overall financial health. When a debt is classified as irrecoverable, it must be written off the accounts receivable balance and recorded as an expense in the income statement, reducing the company's profit. The direct write-off method and the allowance method are two common approaches for handling bad debts. The direct write-off method removes the debt from the books when it is deemed uncollectible, while the allowance method estimates potential bad debts in advance, creating a provision for these expected losses. Understanding and managing irrecoverable debts is essential for effective cash flow management and ensuring the accuracy of financial statements.

Objectives Covered:

- a) Explain why it is necessary to provide a provision for irrecoverable debts.
- b) Distinguish between an irrecoverable debt and a provision for an irrecoverable debt.
- c) Calculate and record irrecoverable debts and

Unit 11 - Other receivables and payables

Approximate length: 4 weeks

Other receivables and payables refer to amounts owed to or by a business that fall outside the primary operations of the company. **Other receivables** include various non-trade receivables, such as loans given to employees, tax refunds due, or any other amounts expected to be received that are not related to sales transactions. These receivables are recorded as assets on the balance sheet and represent future economic benefits to the business. On the other hand, **other payables** encompass liabilities that arise from non-trade activities, such as loans taken from third parties, accrued expenses that have not yet been paid, or tax obligations. These payables are recorded as liabilities on the balance sheet and signify future economic sacrifices that the business will need to make. Proper management and accounting for other receivables and payables are essential for maintaining accurate financial records, ensuring effective cash flow management, and providing a comprehensive view of a company's financial position. Understanding these accounts helps businesses assess their liquidity and financial obligations beyond their core operations.

Objectives Covered:

- a) Explain why it is necessary to account for other receivables and payables.
- b) Distinguish between other receivables and payables.
- c) Calculate and record other receivables and payables in the books of account.

Assessment

Formative: Formative assessments in IGCSE Accounting are tools to frequently check students' understanding and mastery of accounting concepts and techniques during instruction. These

assessments support the learning process and guide both teachers and students in adjusting methods and strategies for optimal understanding. In IGCSE Accounting, formative assessments are essential tools for gauging students' grasp of accounting principles and techniques, facilitating both educators and learners in refining instructional methods for better comprehension. These include in-class discussions, where questioning deepens understanding and sparks dialogues on real-world applications of accounting; regular quizzes testing topics such as double-entry bookkeeping; practical worksheets focusing on ledger accounts and adjustments; peer reviews of problem solutions, offering diverse insights; and classroom activities like transaction simulations and role-playing as accountants or auditors. Homework assignments strengthen daily learning, while group tasks promote teamwork in creating mock business accounts or dissecting financial statements. Additionally, students are urged to keep journals for introspection on their academic journey, participate in feedback sessions to voice their challenges, and employ mind maps post in-depth topics, serving as visual aids in reinforcing concepts. These multifaceted assessments in the IGCSE Accounting curriculum consistently spotlight areas needing attention, guaranteeing a robust and responsive learning environment.

Summative: Summative assessments in IGCSE Accounting are designed to evaluate students' overall understanding and mastery of the subject at the conclusion of a learning period, such as the end of a term or the academic year. These assessments are crucial in gauging the effectiveness of the instruction and in preparing students for further studies or exams. End-of-Term or End-of-Year Examinations: Comprehensive exams covering the entire syllabus or significant portions of it. These should mirror the style and complexity of the final IGCSE Accounting exam to prepare students adequately. The assessment is designed to be completed in 2 hours and consists of eighteen questions, totaling 100 marks, which will be converted to UMS. It is divided into two sections: Section A includes ten 1-mark multiple-choice questions and three short-answer questions, each worth 5 marks. In Section B, there are five multi-part questions, each valued at 15 marks. The questions in the Unit 1 assessment encompass a mix of multiple-choice, short open-response, and extended open-response formats, providing a comprehensive evaluation of the material covered.