

CONTENT AREAS OF THE GTLE FOR ACCOUNTING TEACHERS

Competencies:

Prepare and interpret an account of a business undertaking to its stakeholders whilst facilitating students' understanding to do the same.

Content Area	Descriptive Statements	Description
PART ONE: FINANCIAL ACCOUNTING		
Nature, Evolution and Regulatory Framework of Accounting	<ul style="list-style-type: none"> ❖ Distinguish between accounting and bookkeeping. ❖ Distinguish among Financial Accounting, Management Accounting and Cost Accounting. ❖ Appreciate the conceptual framework regulating accounting as a discipline of practice. ❖ Describe the qualitative features of useful accounting information. ❖ Analyse the needs of various users of accounting information. ❖ Analyse business transactions and events about accounting concepts and conventions. 	<ul style="list-style-type: none"> ❖ Evolution of Accounting ❖ Meaning, Definition and Functions of Accounting ❖ The ASB and regulatory framework of Accounting ❖ Conceptual Framework for Financial Reporting ❖ Accounting Standards – IFRS and IFRS for SMEs ❖ IFRS 1 – First-time adoption of International Financial Reporting Standards ❖ IAS 1 – Presentation of Financial Statements ❖ Distinction between Bookkeeping and Accounting ❖ Distinction among Financial Accounting, Management Accounting and Cost Accounting ❖ Purpose and qualities of Accounting Information ❖ Uses/Users of Accounting Information ❖ Accounting concepts and conventions ❖ Framework for the preparation and presentation of Financial Statements (IFRS)

Fundamental Principles of Accounting	<ul style="list-style-type: none"> ❖ Apply the fundamental principles of accounting in processing any business transactions. ❖ Enter transactions in the appropriate books of prime entry. ❖ 	<ul style="list-style-type: none"> ❖ Books of Prime Entry and Source Documents ❖ The theory of double entry and ledgers ❖ The trial balance, correction of errors and suspense accounts ❖ Control Accounting ❖ Single entry and incomplete records ❖ Bank Reconciliation Statement ❖ Accounting for Non-Current Assets and Depreciation
Preparation of Final Account	<ul style="list-style-type: none"> ❖ Prepare the final accounts (i.e. Statement of profit or loss, Statement of financial position, Cash flows statement, Director's report, note to the account, etc.) for any form of business organization. 	<ul style="list-style-type: none"> ❖ Adjustments to final accounts ❖ Sole proprietorship business ❖ Manufacturing Accounting ❖ Departmental and Branch Accounts ❖ Accounts of Non-Profit Organizations ❖ Partnership Account ❖ Company Accounts
Interpretation of Financial Statements	<ul style="list-style-type: none"> ❖ Conduct inter-firm and intertemporal comparisons. ❖ Interpret the final undertaking of an organization to relevant stakeholders. 	<ul style="list-style-type: none"> ❖ Ratios Analysis
Ethics	<ul style="list-style-type: none"> ❖ Define ethics in accounting ❖ Apply theories of ethics in decision-making. ❖ Explain the concept of independence in relation to accounting. 	<ul style="list-style-type: none"> ❖ The concept of ethics ❖ Theories of ethics (i.e. individual moral philosophies, stages of moral development and Rest 4-component framework). ❖ The concept of independence ❖ The concept of confidentiality

	<ul style="list-style-type: none"> ❖ Explain the concept of confidentiality in relation to accounting. ❖ Analyse ethical dilemmas in business with the view of making the most appropriate decisions. 	<ul style="list-style-type: none"> ❖ Ethical dilemmas in Accounting
PART TWO: COST ACCOUNTING		
INTRODUCTION TO COST ACCOUNTING		<p>1.1 Definition and objectives of Cost Accounting.</p> <p>1.2 Functions and importance of Cost Accounting</p> <p>1.3 Differences among Cost Accounting, Management Accounting and Financial Accounting.</p> <p>1.4 Basic Costing terminologies E.g Cost Centre, cost unit, unit cost, etc.</p> <p>1.5 Ethical issues in Cost Accounting.</p>
CHARACTERISTICS OF A GOOD COST ACCOUNTING SYSTEM		<p>2.1 Characteristics of a good Cost Accounting System E.g simple, relevant, accurate, cost-effective, etc</p>

		<p>2.2 Qualities of good Cost information E.g brief, timely, comparable, objective, etc.</p>
<p>INTRODUCTION TO SPREADSHEET</p>	<p>❖</p>	<p>3.1 importance of spreadsheet applications in cost accounting</p> <p>3.2. the structure and organization of Microsoft Excel</p> <p>3.3. important spreadsheet features: e.g. auto-filling, auto-completion</p> <p>3.4. relative and absolute cell references</p> <p>3.5. creating accurate Excel formulas</p> <p>3.6. applying spreadsheets to all relevant areas of cost accounting</p>
<p>COST CLASSIFICATION AND TYPES OF COST</p>		<p>4.1 Basis of cost classification: Classification of cost according to behaviour, function, nature, etc.</p> <p>4.2 Types of cost under various Classifications Eg. direct cost, indirect cost, period cost, historical cost, sunk cost, etc.</p>

		<p>4.3 Components of cost build-up for ascertaining the cost/profit of a product or an activity e.g prime cost, overheads, factory cost, cost of production, cost of sales, total cost etc.</p> <p>❖</p>
<p>ELEMENTS OF COST</p>		<p>5.1 Explanation of elements of cost i.e., Material, Labour and Expenses.</p> <p>❖ 5.2 Identification and grouping of elements of cost into direct and indirect costs e.g direct material cost direct labour cost, direct expenses and</p>

		overheads such as factory, administration, selling and distribution, etc.
MATERIALS		<p>6.1 Purchasing, receiving, storage and documentation.</p> <p>6.2 Inventory-taking: periodic, continuous and perpetual inventory system.</p> <p>6.3 Inventory control – Minimum, Maximum, Re-order stock levels and Economic Order Quantity.</p> <p>❖ 5.4 Pricing of issues and Inventory valuation using FIFO, LIFO, Simple Average, Weighted Average, and Standard Price methods and their advantages and disadvantages.</p>
LABOUR		<p>7.1 Labour: Meaning and types of labour and labour cost:</p> <ul style="list-style-type: none"> - skilled and unskilled. - direct and indirect. <p>7.2 Methods of labour remuneration:</p> <ul style="list-style-type: none"> - Time rate

- Piece rate: straight piece rate, differential piece rate, piece rate with guaranteed minimum time rate.

- incentive schemes: premium bonus, overtime premium.

7.3 Methods of timekeeping and concept of idle time.

7.4 Payroll procedures:

-Preparation of wages analysis sheet

-statutory and non-statutory deductions.

7.5 Labour Turnover: Meaning, causes and cost.

-Labour turnover ratio.



OVERHEADS		<p>8.1 Definition of overheads.</p> <p>8.2 Types of overheads.</p> <p>8.3 Overhead analysis, collection, classification, allocation, apportionment and redistribution.</p> <p>8.4 Overhead Absorption: - Calculation of Overhead Absorption Rates (OAR) e.g Direct Wages Percentage, Direct Material Cost Percentage, Machine Hour Rate, Prime Cost percentage, etc.</p> <p>8.5 Application of Overhead Absorption Rates.</p> <p>8.6 Calculation of under/over absorption of overheads.</p>

<p>ACTIVITY-BASED COSTING (ABC)</p>		<p>9.1 Meaning, advantages and disadvantages of Activity-Based Costing (ABC).</p> <p>9.1 Steps in Activity-Based Costing.</p> <p>9.2 Differences between Activity-Based Costing and Traditional Product Costing systems.</p> <p>- Limitations of Traditional Product Costing System.</p> <p>9.3 Computation of product cost using Activity Based Costing.</p>
<p>COSTING METHODS</p>		<p>10.1 Job/Batch Costing</p> <p>10.1.1 Purpose and circumstances under which Job/Batch Costing is applied.</p> <p>10.1.2 Ascertainment of cost of a job or batch.</p>

		<p>10.2 Contract Costing</p> <p>10.2.1 Meaning and characteristics of Contract Costing</p> <p>10.2.2 Preparation of Contract Accounts and Contractee's Account.</p>
		<p>10.3 Service Costing</p> <p>10.3.1 Meaning and objectives of Service Costing.</p> <p>10.3.2 Circumstance under which Service Costing is applicable.</p> <p>10.3.3 Ascertainment of cost per unit of services rendered.</p>
		<p>10.4 Process Costing</p>

		<p>10.4.1 Explanation and circumstance where process costing is applied.</p> <p>10.4.2 Terminologies in process costing e.g. joint products, by-products, scrap, waste, etc.</p> <p>9.4.3 Preparation of process accounts including Normal loss, Abnormal Loss and Abnormal gain.</p> <p>10.4.4 Concept of Equivalent Units.</p>
<p>11. COSTING TECHNIQUES</p>		<p>11.1 Marginal and Absorption Costing</p> <p>11.1.1 Meaning and distinction between Marginal and Absorption Costing.</p> <p>11.1.2 Terminologies used in Marginal and Absorption Costing - fixed cost, variable cost, semi-variable costs, contribution, period and product costs. etc.</p> <p>11.1.3 Preparation of Income Statement using both Marginal and Absorption costing.</p> <p>11.1.4 Reconciliation of Marginal and Absorption Costing profits.</p>

		<p>11.2 Cost-Volume-Profit (CVP) Analysis</p> <p>11.2.1 Meaning, importance, assumptions and limitations of CVP analysis.</p> <p>11.2.2 Computation of break-even points (BEP) in units and values from given data including segregation of costs (using high-low method, regression method).</p> <p>11.2.3 Computations of beyond-BEP quantities and revenues</p> <p>11.2.4 Preparation and interpretation of CVP charts.</p>
<p>12. BUDGETING AND BUDGETARY CONTROL</p>		<p>12.1 Explanation of basic terminologies in Budgeting and Budgetary control.</p> <p>12.2 Budgeting process and Administration.</p> <p>12.3 Importance of Budgeting and Budgetary control. - Preparation of budgets.</p> <p>12.4 Functional budgets: - Sales, production, capital expenditure, etc.</p>

		12.5 Cash budget and master budget.
13. STANDARD COSTING AND VARIANCE ANALYSIS		13.1 Meaning and importance of Standard Costing 13.2 Types of Standards.

		<p>13.3 Computation and analysis of variances:</p> <ul style="list-style-type: none"> · Material (price and usage) · Labour (rate and efficiency) <p>Overheads</p>
<p>14. COST ACCOUNTS</p>		<p>14.1 Interlocking cost accounts.</p> <p>14.2 Preparation of cost ledger accounts.</p> <p>14.3 Reconciliation of cost and financial profits.</p> <p>14.4 Integrated Cost accounts.</p> <p>14.5 Preparation of ledger accounts and income statements.</p>

Table of Specification

Thematic Area	Topics	Level One (Recall)	Level Two (Skill/ Concept)	Level Three (Strategic Thinking)	Level Four (Extended Thinking)	Total
PART ONE: FINANCIAL ACCOUNTING						
Nature, Evolution and Regulatory Framework of Accounting	1.1 Evolution and Functions of Accounting	1				1
	1.2 The ASB and regulatory framework of accounting	1				1
	1.3 Conceptual Framework for Financial Reporting	1				1
	1.4 Accounting Standards – IFRS and IFRS for SMEs	1				1
	1.5 IFRS 1 – First-time adoption of International Financial Reporting Standards	1				1
	1.6 IAS 1 – Presentation of Financial Statements	1				1
	1.7 Distinction between Bookkeeping and Accounting		1			1
	1.8 Distinction among Financial Accounting, Management Accounting and Cost Accounting		1			1
	1.9 Purpose and qualities of	1				1

	Accounting Information					
	1.10 Uses/Users of Accounting Information	1			1	2
	1.11 Accounting concepts and conventions		1		2	3
	1.12 Framework for the preparation and presentation of Financial Statements (IFRS)	1	1			2
Fundamental Principles of Accounting	2.1 Books of Prime Entry and Source Documents		1	1		2
	2.2 The theory of double entry and ledgers	1			2	3
	2.3 The trial balance, correction of errors and suspense accounts			1	1	2
	2.4 Control Accounting			1	1	2
	2.5 Single entry and incomplete records		1	1	1	3
	2.6 Bank Reconciliation Statement			1		1
	2.7 Accounting for Non-Current Assets and Depreciation		1		1	2

Preparation of Final Account	3.1 Adjustments to final accounts				1	1
	3.2 Sole proprietorship business		1	1	1	3
	3.3 Manufacturing Accounting		1	2	1	4
	3.4 Departmental and Branch Accounts		1	1	1	3
	3.5 Accounts of Non-Profit Organizations			2	1	3
	3.6 Partnership Account		1	2	1	4
	3.7 Company Accounts		1	3	2	6
Interpretation of Financial Statements	4.1 Ratios Analysis			1	1	2
Ethics	5.1 The concept of ethics	1	1			2
	5.2 Theories of ethics (i.e. individual moral philosophies, stages of moral development and Rest 4-component framework).		1	1	1	3

	5.3 The concept of independence		1	1	1	3
	5.4 The concept of confidentiality		1	1		2
	5.5 Ethical dilemmas in Accounting		1	1	1	3
	SUB-TOTAL	11	17	21	21	70%
PART 2: COST ACCOUNTING						
	INTRODUCTION TO COST ACCOUNTING	1	0	0	0	1
	COST ACCOUNTING SYSTEM	1	0	0	0	1
	INTRODUCTION TO SPREADSHEET	0	1	0	0	1
	COST CLASSIFICATION FOR DECISION MAKING	1	1	0	0	2
	ELEMENTS OF COST	0	2	0	0	2
	ACCOUNTING FOR MATERIALS	0	0	1	1	2
	ACCOUNTING FOR LABOUR	0	0	1	1	2
	ACCOUNTING FOR OVERHEADS	0	1	1	1	3
	ACTIVITY BASED COSTING	0	1	1	0	2
	COSTING METHODS	0	0	1	2	3
	COSTING TECHNIQUES	0	0	1	2	3
	COST-VOLUME-PROFIT ANALYSIS	0	1	1	0	2
	BUDGETING AND BUDGETARY CONTROL	0	0	1	2	3
	STANDARD COSTING AND VARIANCE ANALYSIS	1	1	1	0	3
	SUB-TOTAL	4	8	9	9	30

GRAND TOTAL		15	25	30	30	100
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