

Syllabus

Cambridge O Level Principles of Accounts

Syllabus code 7110

For examination in June and November 2013



UNIVERSITY *of* CAMBRIDGE
International Examinations

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1. Introduction

1.1 Why choose Cambridge?

University of Cambridge International Examinations (CIE) is the world's largest provider of international qualifications. Around 1.5 million students from 150 countries enter Cambridge examinations every year. What makes educators around the world choose Cambridge?

Developed for an international audience

International O Levels have been designed specially for an international audience and are sensitive to the needs of different countries. These qualifications are designed for students whose first language may not be English and this is acknowledged throughout the examination process. The curriculum also allows teaching to be placed in a localised context, making it relevant in varying regions.

Recognition

Cambridge O Levels are internationally recognised by schools, universities and employers as equivalent to UK GCSE. They are excellent preparation for A/AS Level, the Advanced International Certificate of Education (AICE), US Advanced Placement Programme and the International Baccalaureate (IB) Diploma. CIE is accredited by the UK Government regulator, the Office of the Qualifications and Examinations Regulator (Ofqual). Learn more at www.cie.org.uk/recognition.

Support

CIE provides a world-class support service for teachers and exams officers. We offer a wide range of teacher materials to Centres, plus teacher training (online and face-to-face) and student support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from CIE Customer Services. Learn more at www.cie.org.uk/teachers.

Excellence in education

Cambridge qualifications develop successful students. They build not only understanding and knowledge required for progression, but also learning and thinking skills that help students become independent learners and equip them for life.

Not-for-profit, part of the University of Cambridge

CIE is part of Cambridge Assessment, a not-for-profit organisation and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

1. Introduction

1.2 Why choose Cambridge O Level Principles of Accounts?

International O Levels are established qualifications that keep pace with educational developments and trends. The International O Level curriculum places emphasis on broad and balanced study across a wide range of subject areas. The curriculum is structured so that students attain both practical skills and theoretical knowledge.

Cambridge O Level Principles of Accounts is accepted by universities and employers as proof of an understanding of the theory and concepts of accounting, and the ways in which accounting is used in a variety of modern economic and business contexts.

Candidates focus on the skills of:

- Recording
- Reporting
- Presenting
- Interpreting financial information.

Cambridge O Level Principles of Accounts forms an ideal foundation for further study, and for a future career within the profession.

Students may also study for a Cambridge O Level in a number of related subjects including Commerce, Commercial Skills and Economics. In addition to Cambridge O Levels, CIE also offers Cambridge IGCSE and International A & AS Levels for further study in Accounting as well as other subjects. See www.cie.org.uk for a full list of the qualifications that may be taken.

1.3 How can I find out more?

If you are already a Cambridge Centre

You can make entries for this qualification through your usual channels, e.g. your regional representative, the British Council or CIE Direct. If you have any queries, please contact us at international@cie.org.uk.

If you are not a Cambridge Centre

You can find out how your organisation can become a Cambridge Centre. Email either your local British Council representative or CIE at international@cie.org.uk. Learn more about the benefits of becoming a Cambridge Centre at www.cie.org.uk.

2. Assessment at a glance

Cambridge O Level Principles of Accounts Syllabus code 7110

There are two compulsory papers, Paper 1 and Paper 2. These papers both contain questions based on the whole syllabus.

Paper 1: Multiple choice	1 hour
There are 30 questions drawn from across the syllabus. All questions are compulsory.	
33.3% of final marks	

Paper 2: Structured written paper	2 hours
There are 4–6 compulsory questions drawn from topics across the syllabus. One of these questions (carrying approximately one third of the marks for Paper 2) involves the preparation of the final accounts of a manufacturing or trading business e.g. Income Statements (the Manufacturing, Trading and Profit and Loss Accounts) and the Balance Sheet. Questions on this paper may require completion of pro formas and tables.	
66.6% of final marks	

The use of computerised accounting software is **not** required in the examination. However, an appreciation of the usefulness of computerised accounting systems in the preparation of accounting information **is** required.

Availability

This syllabus is examined in the May/June examination session and the October/November examination session.

This syllabus is available to private candidates.

International O levels are available to Centres in Administrative Zones 3, 4 and 5. Centres in Administrative Zones 1, 2 or 6 wishing to enter candidates for International O Level examinations should contact CIE Customer Services.

2. Assessment at a glance

Combining this with other syllabuses

Candidates can combine this syllabus in an examination session with any other CIE syllabus, except:

- syllabuses with the same title at the same level
- 0452 Accounting
- 0614 Accounting (Botswana)
- 4345 Accounting (Namibia)
- 7091 Principles of Accounts (Singapore)
- 7092 Principles of Accounts (Singapore)

Please note that IGCSE, Cambridge International Level 1/Level 2 Certificates and O Level syllabuses are at the same level.

3. Syllabus aims and objectives

3.1 Aims

The aims of the Cambridge O Level Principles of Accounts syllabus are to enable candidates to:

- Develop an understanding of the role of accounting in providing an information system for monitoring progress and decision making.
- Develop an understanding of accounting concepts, principles, procedures and terminology.
- Develop skills in preparing and interpreting accounting information.
- Develop knowledge and understanding of the aims and activities of business and non-trading organisations, their accounting implications and the accounting techniques and procedures appropriate to them.
- Develop skills of numeracy, literacy, communication and enquiry.
- Encourage attitudes of accuracy, orderliness, logical thought and an appreciation of professional ethics.

3.2 Assessment objectives and their weightings

The skills tested in Principles of Accounts are:

- A Knowledge with understanding
- B Analysis
- C Evaluation

A Knowledge with understanding

Candidates should be able to:

1. demonstrate knowledge and understanding of facts, terms, concepts, conventions, principles and techniques appropriate to the syllabus;
2. demonstrate understanding of knowledge through numeracy, literacy, presentation and comprehension;
3. apply knowledge and information to various accounting situations and problems.

The syllabus content defines the factual material that candidates may be required to recall and understand. Questions testing this will often begin with words such as: *state, define, identify, list, outline, write up, record, calculate, compute, explain.*

3. Syllabus aims and objectives

B Analysis

Candidates should be able to:

- select, analyse and order information in written, numerical and diagrammatic form;
- present appropriate information in an accepted accounting form.

Questions testing these skills will often begin with words such as: *select, prepare, draw up*.

C Evaluation

Candidates should be able to:

- interpret and evaluate accounting information and to draw reasoned conclusions.

Questions testing this skill will often require written answers and may begin with words such as: *explain, suggest, advise, comment on, discuss, compare*.

Specification grid

The relationship between the skills and the components of the scheme of assessment is:

Paper	A Knowledge with Understanding	B Analysis	C Evaluation
1	60%	40%	
2	25%	55%	20%

The skills are weighted to give an indication of their relative importance. They are not intended to provide a precise statement of the number of marks allocated to particular skills.

4. Curriculum content

1. Basic principles

Within the following areas, candidates should be able to:

1.1 Role of accounting

- explain the difference between book-keeping and accounting
- explain the role of accounting in providing information for monitoring progress and decision-making.
- state the benefits of ICT (Information and Communications Technology) in book-keeping and accounting: accuracy, speed of processing information, ability to process high volumes of information, performing reconciliations, ease and capacity of information storage, security.

1.2 The Double Entry system of book-keeping

- explain the meaning of assets, liabilities and owner's equity (capital)
- explain and calculate the effect of business transactions on the accounting equation
- explain the double entry system of book-keeping
- process accounting data using the double entry system
- explain the subdivision of the ledger into the sales ledger, the purchase ledger and the general ledger.

1.3 Documentary records

- understand the use of business documents as sources of information.
- name and state the use of an invoice, credit note, debit note, cheque, receipt and statement of account

Questions will **not** require knowledge of document details.

1.4 Books of Prime Entry

- explain the use of, and process, accounting data in the books of prime (original) entry – Cash Book, Sales Journal, Purchases Journal, Sales Returns Journal, Purchases Returns Journal, and General Journal
- post the ledger account entries from the books of prime entry
- explain and calculate trade discount.

1.5 The Cash Book

- explain its dual function both as a book of prime entry and as a ledger account for bank and cash by use of analysis columns
- explain and process transactions involving bank current accounts, bank deposit accounts, bank overdrafts, bank loans and other loans
- explain, calculate and account for cash discount

4. Curriculum content

- draw up a reconciliation of the cash book with the bank statement in respect of the following: unpresented cheques, bank charges, bank interest paid and received, direct debits, standing orders, credit transfers, dividends, correction of errors, and uncredited deposits.

1.6 The General Journal

- explain that the journal is one of the books of prime entry
- explain the use of the journal
- enter those transactions, including correction of errors, that cannot be recorded in any special journal
- write relevant explanatory narrations for each entry.

1.7 The Ledger

- prepare ledger accounts using the 'T' account format
- post debit and credit entries to record transactions in the ledger accounts
- balance the ledger accounts as required, make transfers to the final accounts
- interpret ledger accounts prepared in 'T' account form and their balances
- explain and interpret ledger accounts prepared using the running balance format.

Candidates are **not** required to explain or use folio columns.

1.8 The Trial Balance

- recognise that it is a statement of ledger balances on a particular date
- extract a trial balance from account balances
- outline its uses and its limitations as a means of checking the accuracy of the double entry
- identify and explain those errors which do not affect the trial balance – omission, commission, principle, compensating, original entry, and reversals.

1.9 Adjustments to Ledger Accounts

- Other Payables and Receivables
 - make entries in the journal and ledger accounts to record accrued and prepaid expenses
 - make entries in the journal and ledger accounts to record outstanding and prepaid incomes
- Bad Debts and the Provisions for Doubtful Debts
 - make entries in the journal and ledger accounts to write off bad debts
 - make entries in the journal and ledger accounts to make and adjust a provision for doubtful debts.

Questions will **not** be set on bad debts recovered.

4. Curriculum content

2. Accounting procedures

Within the following areas the candidate should be able to:

2.1 Capital and Revenue Expenditure and Receipts

- define the meaning of capital expenditure and revenue expenditure
- distinguish between and account for capital and revenue expenditure
- distinguish between and account for capital and revenue receipts
- calculate and comment on the effect on profit and asset valuation of the incorrect treatment of capital and/or revenue expenditure.

2.2 Accounting for Depreciation

- define depreciation and be aware that it is not the putting by of cash for asset replacement
- explain the reasons for accounting for depreciation, e.g. passage of time etc.
- name and describe the straight-line, diminishing (reducing) balance and revaluation methods of depreciation
- prepare ledger accounts and journal entries for the provision of depreciation
- prepare ledger accounts and journal entries for the disposal of non-current assets and calculate the profit or loss on the disposal of an asset.

2.3 Correction of Errors

- record journal entries supporting the correction of errors
- explain the use of the suspense account as a temporary measure to balance the trial balance
- open and post entries to a suspense account where necessary
- prepare a statement of revised profit
- prepare revised balance sheet extracts.

2.4 Control Accounts

- explain that control accounts are an independent check on the sales and purchases ledgers
- explain that control accounts may be used to provide totals of debtors and creditors, locate errors and act as a deterrent against fraud
- identify and use the books of prime entry as sources of information for the control account entries
- enter the following items into the relevant control account: credit sales and purchases, receipts and payments, discounts, returns, bad debts, dishonoured cheques, interest on overdue accounts, contra entries, refunds, opening and closing balances (debit and credit within each account).

Questions will **not** be set on situations where the control accounts are part of the double entry system.

4. Curriculum content

3. Final accounts

Within the following areas the candidate should be able to:

3.1 Income Statements

- calculate the gross and net profits or losses, based on accounting principles, for a specified period
- recognise that net profit (or loss) is the increase (or decrease) in the net value of assets during a financial year
- prepare simple columnar Trading Accounts when dealing with a business which has two departments.

3.2 Balance Sheets

- recognise that they are statements of balances of assets and liabilities on a specified date set out in any valid layout
- demonstrate knowledge of the meaning, importance and designation of non-current assets, intangible assets (goodwill), current assets, current liabilities, long term liabilities and working capital
- comment upon the significance of the inter-relationship of the Balance Sheet items
- relate working capital to the liquidity of a business
- explain the basis of valuation of assets as follows:
 - non-current assets at cost less accumulated depreciation
 - inventory at cost or net realisable value, whichever is lower
 - trade receivables at expected collectible amount i.e. after deduction of provisions for doubtful debts
- distinguish between, and show understanding of, equity and capital employed.

4. Curriculum content

4. Preparation of final accounts

Within the following areas the candidate should be able to:

4.1 Sole Trader

- explain the difference between a trading and service business
- prepare Income Statements and Balance Sheets for trading businesses
- prepare Income Statements and Balance Sheets for service businesses
- make adjustments for provision for depreciation using the straight-line, diminishing (reducing) balance and revaluation methods
- make adjustments for provisions for bad and doubtful debts
- make adjustments for other payables and other receivables to take account of accrued and prepaid expenses and outstanding and prepaid income
- make adjustments for goods taken by owner for own use.

4.2 Partnership

- explain the advantages and disadvantages of forming a partnership
- outline the importance and contents of a partnership agreement
- explain the purpose of an Appropriation Account
- prepare Income Statements, Appropriation Accounts and Balance Sheets
- explain the uses of and differences between equity (capital) and current accounts
- draw up partners' current and capital accounts both in ledger form and as part of a Balance Sheet presentation
- show the treatment of interest on capital, partners' salaries, interest on partners' loans and on drawings
- make simple entries for the formation of a partnership via capital contribution by each partner in cash and/or non-cash assets and amalgamation of two sole traders, including the calculation and recording of Intangible Assets
- make the other adjustments as detailed under 4.1 as appropriate.

Questions will **not** be set on the dissolution of partnership.

4. Curriculum content

4.3 Clubs and Societies

- distinguish between Receipts and Payments Accounts and Income and Expenditure Accounts
- prepare accounts for the following – receipts and payments, revenue generating activities e.g. refreshments, and subscriptions
- define and calculate the Accumulated Fund
- prepare Income and Expenditure Accounts and Balance Sheets
- make the other adjustments as detailed under 4.1 as appropriate.

4.4 From Incomplete Records

- prepare opening and closing Statements of Affairs
- calculate net profit/loss from change in capital over time
- compute sales and purchases figures and gross profit from incomplete information
- apply the following techniques to arrive at missing figures – mark-up, margin, inventory (stock) turnover
- comment upon the importance of providing information on profitability and financial position of enterprises when the books of account are not compiled by the double entry system.

Questions on incomplete records will only relate to sole traders

4.5 Limited Liability Companies

- prepare a simple appropriation account
- explain the capital structure of a limited company (comprising preference share capital, ordinary share capital, general reserve and retained profits/profits) and how it appears in the Balance Sheet
- recognise the distinctions between authorised, called-up, issued and paid-up share capital and between share capital – ordinary and preference – and loan capital e.g. debentures.

Candidates will **not** be required to prepare a company's Profit and Loss Account or a complete Balance Sheet, to make entries to record the issue of capital, or to know the accounting requirements of the Companies Acts.

Candidates need to be aware of cumulative and non-cumulative preference shares. They are **not** required to have an awareness of deferred, founders, participating, redeemable or 'A' shares, rights issues, bonus issues, share premium or capital redemption reserve.

4. Curriculum content

4.6 Manufacturing Accounts

- distinguish between direct and indirect costs
- identify cost accounting terms: direct material, direct labour, prime cost and factory (production) overheads
- make adjustments for work-in-progress
- calculate factory cost of production
- prepare Manufacturing Accounts, Income Statements and the Balance Sheet of a manufacturing business.

5. Payroll accounting

Within the following areas the candidate should be able to:

5.1 Payroll records

- name and state the use of a clock card, time sheet, payslip, payroll register, wages sheet
- explain and calculate pay using the time basis and piecework basis
- explain and calculate overtime
- explain statutory deductions for income tax and social security/national insurance
- explain voluntary deductions for pension contributions, subscriptions and charitable donations
- explain and calculate gross and net pay.

Understanding of tax and other tables is **not** required. Calculations will be based on fractions and percentages.

Knowledge of bonus schemes is **not** required.

5.2 Book-keeping entries for payroll

- prepare journal entries to record the payment of wages and salaries, statutory and voluntary deductions
- prepare ledger entries to record the payment of wages and salaries, statutory and voluntary deductions.

Questions will **not** be asked on the use of a wages and salaries control account or labour costing.

4. Curriculum content

6. Advanced principles

Within the following areas the candidate should be able to:

6.1 Financial Relationships (Ratio Analysis)

- compute and explain the importance of rate of turnover of inventory, gross profit/sales, net profit/sales, net profit/capital employed, working capital ratio (current ratio) and quick ratio (acid test ratio)
- explain the relationship of gross and net profits to the valuation of inventory, rate of turnover of inventory, turnover, expenses, and capital (equity)
- recognise the importance of valuation of inventory and the effect of an incorrect valuation of inventory on gross profit, net profit, equity, and asset valuation.

6.2 Accounting Principles

- explain and recognise the application of the following principles/concepts in the compilation of final accounts:
 - going concern, historical cost, accounting entity, money measurement, accounting year, matching/accruals, prudence, materiality, consistency, and dual aspect
- recognise the influence of international accounting standards in: narrowing the areas of difference and variety of accounting practice; improving comparability; improving reliability and understandability of accounting information
- explain the importance of professional ethics in accounting.

Questions will **not** be set on specific international accounting standards.

4. Curriculum content

7 List of accounting ratios

Summary of commonly used ratios

1. Profitability ratios

$$(i) \text{ Percentage of gross profit to sales (gross profit margin)} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$$

$$\text{Mark up} = \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100$$

$$(ii) \text{ Percentage of net profit to sales (net profit margin)} = \frac{\text{Net Profit Before Interest}}{\text{Net Sales}} \times 100$$

$$(iii) \text{ Return on Capital Employed (ROCE)} = \frac{\text{Net Profit Before Interest}}{\text{Capital Employed}} \times 100$$

[Capital Employed = Owner's capital + long term liabilities]

2. Liquidity

$$(i) \text{ Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \text{ (also known as working capital ratio)}$$

$$(ii) \text{ Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}} \text{ (also known as 'Acid Test' or 'Liquid ratio')}$$

$$(iii) \text{ Trade Receivables Collection Period} = \frac{\text{Trade Receivables}}{\text{Credit Sales}} \times 365 \text{ days}$$

$$(iv) \text{ Trade Payables Payment Period} = \frac{\text{Trade Payables}}{\text{Credit Purchases}} \times 365 \text{ days}$$

$$(v) \text{ Rate of Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}} \text{ (answer given in times)}$$

$$\text{Or Inventory Turnover} = \frac{\text{Average Inventory}}{\text{Cost of Goods Sold}} \times 365 \text{ days}$$

5. Resource list

This is a range of texts from which teachers may wish to select. The inclusion of books in the following list does not imply a recommendation. Locally available information from industry, commerce, banks, the accounting profession and Government will also be useful.

Students' textbooks

Author	Title	Publisher	ISBN
Coucom, Catherine	<i>IGCSE Accounting</i> <i>*Endorsed Textbook*</i>	Cambridge University Press	0 521 89346 1
Coucom, Catherine	<i>IGCSE and O Level Accounting</i> <i>*Endorsed Textbook*</i>	Cambridge University Press – India	978 0521 72001 4
Coucom, Catherine	<i>IGCSE and O Level Accounting</i> <i>*Endorsed Workbook*</i>	Cambridge University Press – India	978 0521 14415 5

Recommended textbooks

Author	Title	Publisher	ISBN
Cox, David	<i>Business Accounts</i>	Osborne Books	1 87296 258 0
Cox, David	<i>Success in Book-keeping and Accounts</i>	John Murray	0 7195 4194 8
Marshall, Peter	<i>Mastering Book-keeping</i>	How To Books	1 85703 752 9
Nicholson, Margaret	<i>Mastering Accounting Skills</i>	Palgrave	0 333 91991 2
Whitehead, Geoffrey	<i>Book-keeping Made Simple</i>	Butterworth	0 7506 3651 3
Whitehead, Geoffrey	<i>Success in Principles of Accounting</i>	John Murray	0 7195 7212 6
Wood, Frank	<i>Book-keeping and Accounts</i>	FT Prentice Hall	0 273 64619 2

5. Resource list

Online resources:

http://www.osbornebooks.co.uk/pdf/resources_accounting.pdf (If problems are experienced with this site, select <http://www.osbornebooks.co.uk/resources.html> then select Student Resources, Select Accounting and Finance and the Select Accounting Documents.pdf)

<http://www.nrbarton.co.uk/Bookkeeping/index.html>

<http://accounting10.tripod.com/content.htm>

<http://www.askltd.com/askjava/Intro.htm>

<http://www.staffs.ac.uk/schools/business/bsadmin/staff/s5/mscproj/defn.htm>

<http://www.bized.ac.uk/compfact/ratios/>

<http://www.bized.ac.uk/stafsup/options/accounting/index.htm>

<http://www.iasb.org/about/faq.asp>

<http://www.accaglobal.com/cpdrealise/ethics/overview/>

http://www.en.wikipedia.org/wiki/Main_Page (Use the search facility to find individual items e.g. sales journal. Wikipedia is also available in other languages – scroll down to the languages section on the Main Page.)

Resources are also listed on CIE's public website at **www.cie.org.uk**. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at **<http://teachers.cie.org.uk>**. This website is available to teachers at registered CIE Centres.

6. International standards: terminology

The list below is to help Centres become familiar with international terminology which CIE uses in accounting syllabuses. CIE will include well-known standards, which are relevant to the level of study, in question papers, mark schemes and associated documents.

It is recommended that Centres use this terminology in their teaching and learning materials, however, candidates will not lose marks for using different terms.

International usage	Previous CIE/UK usage
Statement of financial position (balance sheet)	<i>Balance sheet</i>
Bank (and other) loans Interest bearing loans and borrowing	<i>Loans repayable after 12 months</i>
Bank overdrafts and loans Interest bearing loans and borrowing	<i>Loans repayable within 12 months</i>
Capital or Equity/Shareholders' Equity	<i>Capital</i>
Cash (and cash equivalents)	<i>Bank and cash</i>
Cost of sales	<i>Cost of goods sold</i>
Current assets	<i>Current assets</i>
Current liabilities	<i>Current liabilities</i> <i>Creditors: amounts due within 12 months</i>
Finance costs	<i>Interest payable</i>
Finance Income/Investment revenues	<i>Interest receivable</i>
Financial Statements	<i>Final accounts</i>
Gross profit	<i>Gross profit</i>
Income statement	<i>Trading and profit & loss account</i>
Intangible assets	<i>Goodwill etc.</i>
Inventory/Inventories (of raw materials and finished goods)	<i>Stock</i>

6. International standards: terminology

Investment property	<i>Investments</i>
Non-current assets	<i>Fixed assets</i>
Non-current liabilities	<i>Long term liabilities</i> <i>Creditors: amounts falling due after more than one year</i>
Other operating expenses	<i>Sundry expenses (administration and distribution)</i>
Other operating income	<i>Sundry income</i>
Other payables	<i>Accruals</i>
Other receivables	<i>Prepayments</i>
Plant and equipment	<i>Plant and equipment</i>
Profit (before tax) for the year	<i>Net Profit</i>
Property	<i>Land and buildings</i>
Raw materials Ordinary goods purchased	<i>Purchases</i>
Revenue	<i>Sales</i>
Share capital	<i>Share capital</i>
Trade payables	<i>Creditors</i>
Trade receivables	<i>Debtors</i>
Work in progress	<i>Work in progress</i>

7. Additional information

7.1 Guided learning hours

O Level syllabuses are designed on the assumption that candidates have about 130 guided learning hours per subject over the duration of the course. ('Guided learning hours' include direct teaching and any other supervised or directed study time. They do not include private study by the candidate.)

However, this figure is for guidance only, and the number of hours required may vary according to local curricular practice and the candidates' prior experience of the subject.

7.2 Recommended prior learning

Candidates beginning this course are not expected to have studied Accounting previously.

7.3 Progression

O Level Certificates are general qualifications that enable candidates to progress either directly to employment, or to proceed to further qualifications.

Candidates who are awarded grades C to A* in O Level Principles of Accounts are well prepared to follow courses leading to AS and A Level Accounting, or the equivalent.

7.4 Component codes

Because of local variations, in some cases component codes will be different in instructions about making entries for examinations and timetables from those printed in this syllabus, but the component names will be unchanged to make identification straightforward.

7.5 Grading and reporting

Ordinary Level (O Level) results are shown by one of the grades A*, A, B, C, D or E indicating the standard achieved, Grade A* being the highest and Grade E the lowest. 'Ungraded' indicates that the candidate's performance fell short of the standard required for Grade E. 'Ungraded' will be reported on the statement of results but not on the certificate.

7. Additional information

Percentage uniform marks are also provided on each candidate's statement of results to supplement their grade for a syllabus. They are determined in this way:

- A candidate who obtains...
 - ... the minimum mark necessary for a Grade A* obtains a percentage uniform mark of 90%.
 - ... the minimum mark necessary for a Grade A obtains a percentage uniform mark of 80%.
 - ... the minimum mark necessary for a Grade B obtains a percentage uniform mark of 70%.
 - ... the minimum mark necessary for a Grade C obtains a percentage uniform mark of 60%.
 - ... the minimum mark necessary for a Grade D obtains a percentage uniform mark of 50%.
 - ... the minimum mark necessary for a Grade E obtains a percentage uniform mark of 40%.
 - ... no marks receives a percentage uniform mark of 0%.

Candidates whose mark is none of the above receive a percentage mark in between those stated according to the position of their mark in relation to the grade 'thresholds' (i.e. the minimum mark for obtaining a grade). For example, a candidate whose mark is halfway between the minimum for a Grade C and the minimum for a Grade D (and whose grade is therefore D) receives a percentage uniform mark of 55%.

The uniform percentage mark is stated at syllabus level only. It is not the same as the 'raw' mark obtained by the candidate, since it depends on the position of the grade thresholds (which may vary from one session to another and from one subject to another) and it has been turned into a percentage.

7.6 Resources

Copies of syllabuses, the most recent question papers and Principal Examiners' reports for teachers are available on the Syllabus and Support Materials CD-ROM, which is sent to all CIE Centres.

Resources are also listed on CIE's public website at **www.cie.org.uk**. Please visit this site on a regular basis as the Resource lists are updated through the year.

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