



# Part A

## Paper 1 -Accounting Framework

Examination Duration: 3 hours.

OBJECTIVE: -The objective of this paper is to assess the students' knowledge and practical understanding of basic accounting principles and procedures. The paper will! Test the ability to prepare final! Accounts of sole traders, non-trading organizations, partnerships and to analyze the information contained in such accounts. S.S.A.P's 2,3,4,5 and 12 are applicable.

---

<u>SYLLABUS</u>	<u>Knowledge Requirements</u>
1. ACCOUNTING Terminology, concepts and conventions, purposes of accounting information and its communication.	B
2. BOOK-KEEPING a. Principles and procedures i.e. Original Entry, Double Entry bookkeeping and ledger accounts. Supporting records, Bank accounts and reconciliation's statements. Cash accounts, Control accounts. Trial Balance. b. Journal adjustments i.e. Bad debts, discounts, correction of errors, (Including suspense accounts). Concepts of depreciation and the reasons for and methods of providing for it -Reducing Balance: Straight Line: Sinking fund Insurance Policy.	A A
3. ACCRUAL AND PREPAYMENTS Allocation of Expenditure and income between capital and revenue and the treatment of reserves, provisions, accrued expenditure and payments in advance.	A
4. PREPARATION AND PRESENTATION Simple financial statements of sole traders, non-trading organisations and partnerships. Manufacturing accounts, trading, profit and loss account and balance sheet, Income and expenditure accounts, incomplete records.	A
5. ANALYSIS OF ACCOUNTS Analysis and calculation of ratios. Interpretation of simple financial statements and basic ratio analysis profitability, liquidity, solvency.	B
6. Accounting for joint ventures, hire purchase, royalties, branches (home), departments, and contracts.	A
7. Cash flow statements.	A
8. Foreign exchange	