



CARIBBEAN EXAMINATIONS COUNCIL

Caribbean Secondary Education Certificate
CSEC[®]

PRINCIPLES OF ACCOUNTS SYLLABUS

Effective for examinations from May/June 2008

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The Principles of Business syllabus (CXC 10/0/SYLL 96) was revised in 2006 for first examination in 2008.

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Revised in 1990, 1998, 2006
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Please check the website, www.cxc.org for updates on CXC's syllabuses.



Principles of Accounts Syllabus

◆ RATIONALE

Accounting is the financial information system that provides relevant information to those who manage or use economic resources or engage in other economic activity. **Principles of Accounts** is a course of study that provides an introduction to the principles and techniques that accountants employ in measuring, processing, evaluating and communicating information about the financial performance and position of a business.

This course in Principles of Accounts helps students to develop an understanding of a range of theoretical and practical techniques used in accounting. It helps to develop skills that should enable them to participate more effectively and responsibly in today's business environment, to improve the management of personal financial activities, such as, budgeting, savings and investment. In addition, this course prepares students for post-secondary and professional studies in accounting.

The syllabus also seeks to instill tenets of the Ideal Caribbean as articulated by the CARICOM Caribbean Education Task Force (CTF) and adopted by the CARICOM Heads of Government at their 18th Summit. To this end the syllabus contains objectives and content intended to nurture and improve students' multiple literacy skills, as well as their management, economic and entrepreneurial skills and positive work ethic. In addition, in keeping with the UNESCO Pillars of Learning, on completion of this course of study students will learn to know, to be, to do, and to live together.

◆ AIMS

The syllabus aims to:

1. introduce fundamental principles and practices of accounting;
2. develop skills and attitudes useful in a dynamic business environment;
3. provide a foundation for further studies in accounting;
4. provide an acceptable level of competence for entry-level employment.

◆ GENERAL OBJECTIVES

On completion of the syllabus, students should:

1. develop skills in applying accounting principles and procedures to business situations;

2. appreciate the importance of accountability in both public and private organizations;
3. grasp the significance of accounting as a tool for effecting control;
4. appreciate the use of accounting practice as a tool for efficient business management;
5. have the ability to identify and interpret financial data that will facilitate proper decision-making by users of accounting information;
6. develop an awareness of the role and impact of technology in accounting.

◆ ORGANIZATION OF THE SYLLABUS

The syllabus is arranged in 14 sections, consisting of specific objectives and related content.

SECTION 1	-	INTRODUCTION TO PRINCIPLES OF ACCOUNTS
SECTION 2	-	THE CLASSIFIED BALANCE SHEET
SECTION 3	-	BOOKS OF ORIGINAL ENTRY
SECTION 4	-	LEDGERS AND THE TRIAL BALANCE
SECTION 5	-	THE PREPARATION AND ANALYSIS OF FINANCIAL STATEMENTS OF THE SOLE-TRADER
SECTION 6	-	END OF PERIOD ADJUSTMENTS
SECTION 7	-	CONTROL SYSTEMS
SECTION 8	-	INCOMPLETE RECORDS
SECTION 9	-	ACCOUNTING FOR PARTNERSHIPS
SECTION 10	-	ACCOUNTING FOR CORPORATIONS (LIMITED LIABILITY COMPANIES)
SECTION 11	-	ACCOUNTING FOR CO-OPERATIVE SOCIETIES
SECTION 12	-	ACCOUNTING FOR NON-TRADING (NON PROFIT) ORGANIZATIONS
SECTION 13	-	MANUFACTURING ACCOUNTS
SECTION 14	-	PAYROLL ACCOUNTING

◆ SUGGESTED TIME –TABLE ALLOCATION

It is recommended that a minimum of five 40-minute periods per week (over a two year period) or the equivalent should be allocated to the syllabus.

◆ CERTIFICATION AND DEFINITION OF PROFILE DIMENSIONS

The CSEC Principles of Accounts syllabus will be examined at General Proficiency only. Candidates will be awarded an overall grade on a six-point scale. In addition to the overall grade, candidates' performance will be reported by a letter grade under profile dimensions of Knowledge, Application and Interpretation.

(i) Knowledge

The ability to:

- (a) state, list or identify accounting concepts, terms and principles;
- (b) define and explain accounting concepts, principles, theories and procedures;
- (c) demonstrate an understanding of basic accounting concepts, conventions and principles.

(ii) Application

The ability to:

- (a) apply accounting concepts and principles to analyze issues;
- (b) apply accounting concepts, principles and theories to solve accounting problems in various situations.

(iii) Interpretation

The ability to:

- (a) select, organize and interpret accounting data presented in a variety of forms;
- (b) organize and present, logically and effectively, accounting ideas and arguments using verbal, graphical and numerical forms of communication.

◆ **FORMAT OF THE EXAMINATIONS**

The examination for General Proficiency certification will be set on the entire syllabus and will consist of two papers in the final examination and a School-Based Assessment component.

Paper 01 A multiple-choice test of 60 items testing the profile dimensions Knowledge, Application and Interpretation in the ratio 1:2:1.
(1 hour
30 minutes)

Paper 02 A problem-solving paper divided into two sections. Each section will test the profile dimensions, Knowledge, Application (of accounting principles) and Interpretation (of accounts) in the ratio 1:2:1.
(3 hours)

Section 1 - Three compulsory questions drawn from Sections 2 to 9.

Section 2 - Four questions of which the candidate must attempt two. The questions may test any of the objectives in the syllabus.

Each question will be worth 20 marks; the total for five questions is 100 marks.

School-Based Assessment (SBA)

Paper 03/1 A School-Based Assessment component (SBA) comprising an individual report on a group or (SBA) individual project. Details of the SBA requirements are given on pages 29 - 30.

Paper 03/2 An alternative to the School-Based Assessment component for private candidates consisting of 20 compulsory short answer questions based on case studies. Details of the Paper 03/2 requirements are given on page 31.

Distribution of Items for Paper 01 (Multiple Choice Test)

Section	Title	No. of items
1	Introduction to Principles of Accounts	4
2	The Classified Balance Sheet	4
3	Books of Original Entry	6
4	Ledgers and the Trial Balance	7
5	The Preparation and analysis of financial Statements of the Sole-Trader	6
6	End of Period Adjustments	4
7	Control Systems	4
8	Incomplete Records	4
9	Accounting for Partnerships	5
10	Accounting for Corporations (Limited Liability Companies)	4
11	Accounting for Co-operative Societies	2
12	Accounting for Non-Trading (Non Profit) Organizations	4
13	Manufacturing Accounts	4
14	Payroll Accounting	<u>2</u>
	TOTAL	60

The profile dimensions and examination papers will be weighted as set out below.

PROFILES	PAPER 01	PAPER 02	PAPER 03/1 (SBA)	TOTAL	(%)
Knowledge	15	25	10	50	(25)
Application	30	50	20	100	(50)
Interpretation	15	25	10	50	(25)
TOTAL	60	100	40	200	(100)

◆ SECTION 1: INTRODUCTION TO PRINCIPLES OF ACCOUNTS

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the concept of accounting;
2. state the purpose of accounting;
3. identify the users of accounting information;
4. outline the distinguishing features of various types of business organizations;
5. identify the main financial statements prepared by various business organizations;
6. describe the accounting cycle;
7. outline the concepts and conventions that guide the accounting process;
8. assess the role and impact of technology on the accounting process.

CONTENT

1. Concept of “Accounting” and “Principles of Accounting”.
2. Accounting as a business practice – the purpose of Accounting.
3. Internal and External users of Accounting information and their needs.
4. Types of business organizations – Sole-Traders, Partnerships, Corporations (Limited Liability companies), Cooperatives, Non-Profit Organizations.
5. Financial Statements – Income statement/Trading and Profit & Loss A/C, Income and Expenditure A/C, Balance Sheets, Cash Flow Statements. (*Teachers are not expected to teach how to prepare the cash flow statements but it should be identified as one of the financial statements which must be prepared by corporations*).
6. The Accounting cycle with its diagrammatic representations.
7. Accounting concepts and conventions – principles which guide the accounting process – accrual and matching concept, prudence (conservatism) concept, consistency concept, separate entity concept.

8.
 - (a) Accounting processes which could be readily performed by the use of the computer, for example, payroll, stock control, debtors' and creditors' schedules.
 - (b) Software currently being used in Accounting.
 - (c) Advantages and disadvantages of using the computer in Accounting.

◆ SECTION 2: THE CLASSIFIED BALANCE SHEET

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the concept of a Balance Sheet;
2. identify the components of a Balance Sheet;
3. use the Balance Sheet/Accounting equation;
4. construct a simple Balance Sheet;
5. give examples of different types of assets and liabilities;
6. construct classified Balance Sheets;
7. determine which items in a Balance Sheet will change as a result of various transactions.

CONTENT

1. Definition and purpose of a Balance Sheet.
2. Definition and examples of Assets, Liabilities, Capital.
3. Balance Sheet equation $A = C + L$.
4. Preparation of Balance Sheets.
5. Definition and examples of Fixed Assets, Currents Assets, Current Liabilities, Long-term Liabilities.
6. Arrangement of Assets and Liabilities in order of:
 - (a) permanence;
 - (b) liquidity.
7. Effect of transactions on Balance Sheet items – increase or decrease in items while maintaining the Balance Sheet equation.

◆ SECTION 3: BOOKS OF ORIGINAL ENTRY

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the uses of books of original entry;
2. distinguish between cash and credit transactions;
3. identify source documents related to books of original entry;
4. use source documents to make entries into books of original entry;
5. distinguish between trade and cash discounts;
6. distinguish between discounts allowed and discounts received;
7. balance the cash book;
8. interpret the balances of the cash book;
9. balance the petty cash book;
10. indicate treatment of totals from books of original entry.

CONTENT

1. The uses of Books of Original Entry:
 - (a) general journal;
 - (b) purchases book;
 - (c) sales book;
 - (d) returns outwards book;
 - (e) returns inwards book;
 - (f) cash book;
 - (g) petty cash book.

BOOKS OF ORIGINAL ENTRY (cont'd)

2. Cash and credit transactions:
The use of:
 - (a) cash;
 - (b) cheques;
 - (c) credit cards;
 - (d) debit cards.
3. Source documents and the books of original entry to which they are related - sales invoice, purchases invoice, credit notes, debit notes, petty cash vouchers, receipts from cash transactions and non-cash transactions.
4. Record transactions using source documents:
 - (a) purchases book;
 - (b) sales book;
 - (c) returns inwards book;
 - (d) returns outwards book;
 - (e) cash book;
 - (f) petty cash book.
5. Treatment of trade discounts and cash discounts.
6. Cash discounts - discounts allowed and discounts received.
7. Balancing of the cash book.
8. The significance of the balances brought down on the cash book.
9. Balancing the petty cash book using the Imprest System.
10. Posting totals of books of original entry to the General Ledger.

◆ SECTION 4: LEDGERS AND THE TRIAL BALANCE

SPECIFIC OBJECTIVES

Students should be able to:

1. identify the different types of ledgers;
2. describe the different classes of accounts;
3. explain the significance of debit and credit in each class of account;
4. distinguish between capital expenditure and revenue expenditure;
5. draw up simple account formats, neatly and accurately;
6. post from books of original entry to the general ledger and the subsidiary ledgers;
7. balance and close accounts;
8. use the balances brought down to prepare the trial balance;
9. outline the uses and limitations of the trial balance.

CONTENT

1. Different types of ledgers for recording nominal, real and personal accounts:
 - (a) general ledger;
 - (b) sales/debtors' ledger;
 - (c) purchases/creditors' ledger
2. Classification of accounts:
 - (a) nominal - expenses and revenue;
 - (b) real - assets;
 - (c) personal - debtors and creditors.
3. Rules of entry for assets, liabilities, income, capital and expenses.
4. Capital expenditure; revenue expenditure.

LEDGERS AND THE TRIAL BALANCE (cont'd)

5. Recording transactions in accounts using the double entry system.
6. Posting to general and subsidiary ledges.
7. Balancing accounts: calculation of the balances c/d and bringing down those balances.
8. Trial balances.
9. Uses and limitations of the trial balance.

◆ SECTION 5: THE PREPARATION AND ANALYSIS OF FINANCIAL STATEMENTS OF THE SOLE-TRADER

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the purpose of preparing financial statements;
2. list methods of inventory (stock) valuation;
3. calculate the value of closing inventory (stock);
4. assess the effect of different methods of inventory (stock) valuation on profit;
5. prepare closing journal entries;
6. identify the components of the Financial Statements;
7. draw up the Trading and the Profit and Loss account to determine gross profit or loss and net profit or loss;
8. show the effect of net profit or loss on capital;
9. use ratios to determine the performance (profitability) of the business;
10. prepare classified balance sheet in vertical style;
11. explain the significance of the working capital for the operation of a business;
12. calculate ratios to demonstrate the financial position of a business;
13. make recommendations about a business based on ratio analysis.

CONTENT

1. The purpose of preparing Financial Statements to satisfy the needs of the users.
2. Methods of inventory (stock) valuation: First in, First out (FIFO), Last in, First out (LIFO), Average Cost (AVCO).
3. Calculation of closing inventory (stock); using: FIFO, LIFO, AVCO.
4. The effect on profit of different methods of (inventory) stock valuation.



THE PREPARATION AND ANALYSIS OF FINANCIAL STATEMENTS OF THE SOLE-TRADER (cont'd)

5. (a) Journal entries to close off accounts in the ledger.
 (b) Linkage with Trading and Profit and Loss account.
6. Trading and Profit and Loss Account and Balance Sheet.
7. Trading and Profit and Loss account for sole-traders including adjustment for return inwards and outwards; closing stock.
8. Treatment of net profit or loss on the Balance Sheet.
9. Trading results: simple ratios such as stock turn, average stock, gross profit percentage, net profit percentage.
10. Definition of working capital, calculation of working capital; preparation of classified Balance Sheet showing working capital.
11. Working capital as a basic tool for solvency; working capital formula.
12. Analysis and interpretation of the financial position of a business using ratios: current ratio; acid test ratio; return on investment.
13. Preparation of simple reports evaluating a business based on ratios and making recommendations.

◆ SECTION 6: END OF PERIOD ADJUSTMENTS

SPECIFIC OBJECTIVES

Students should be able to:

1. explain why adjustments are made to financial statements;
2. prepare journal entries for pre-payments and advanced revenues;
3. prepare journal entries for accrued expenses and revenues;
4. determine the amount of expenses or revenues to be transferred to the Profit and Loss Account/Income Statement;
5. indicate where accruals and prepayments will appear on the Balance Sheet;
6. distinguish between bad and doubtful debts;
7. prepare journal entries and ledger accounts to write off bad debts and create provision for doubtful debts;
8. explain the nature of depreciation;
9. calculate annual depreciation expenses using straight line method and reducing balance method;
10. prepare journal entries and ledger accounts for provision for depreciation;
11. prepare Financial Statements after adjustments.

CONTENT

1. The reasons for adjustments; application of the matching/accruals concept.
2. Journal entries for prepaid expenses and advanced revenues.
3. Journal entries for accrued expenses and revenues.
4. Ledger accounts for expenses and revenues.
5. The treatment for prepayments and accruals on the balance sheet.
6. The reasons for bad debts: aging debtors; creation of provision for doubtful debts.

END OF PERIOD ADJUSTMENTS (cont'd)

7. Accounting entries for bad and doubtful debts; the treatment of bad and doubtful debts in the Profit and Loss Account and Balance Sheet.
8. Definition of depreciation; causes of depreciation; factors to be considered when calculating depreciation (cost, estimated useful life and scrap value).
9. Straight line method (using formula) and reducing balance method of depreciation.
10. Journal entries for the provision for depreciation; the maintenance of the provision for depreciation account; the treatment of accumulated depreciation on the Balance Sheet; the determination of Net Book Value (NBV).
11. The preparation of adjusted Financial Statements (*the use of worksheets would be helpful*).

◆ SECTION 7: CONTROL SYSTEMS

SPECIFIC OBJECTIVES

Students should be able to:

1. explain the need for control systems;
2. identify common control systems;
3. distinguish between those errors which affect and those which do not affect the trial balance;
4. explain the need for suspense account;
5. prepare journal entries for the correction of errors;
6. construct a suspense account;
7. construct a statement of revised profit after the correction of errors;
8. explain the purposes of control accounts and how they are prepared;
9. identify the sources of information for entries made in control accounts;
10. construct sales and purchases ledger control accounts;
11. explain the significance of the balances on control accounts;
12. account for differences between cash book and bank statement balances;
13. construct a bank reconciliation statement using the adjusted cash book balance.

CONTENT

1. The need for control systems.
2. Common control systems:
 - (a) Suspense Account;
 - (b) Control Accounts;
 - (c) Bank Reconciliation Statements.

CONTROL SYSTEMS (cont'd)

3. Types of errors.
4. Uses of the suspense account.
5. Correction of errors via journal entries.
6. Suspense accounts.
7. The effect of errors on the Trading and Profit and Loss account and the Balance Sheet.
8. Uses of control accounts.
9. Sources of information for entries in control accounts.
10. Sales Ledger Control Accounts, Purchases Ledger Control Accounts.
11. Meaning (significance) of the balances on Control Accounts.
12. Identification of the items that cause the difference between cash book and Bank statement balances and updating of the cash book.
13. Uses and construction of the Bank Reconciliation Statement.

◆ SECTION 8: INCOMPLETE RECORDS

SPECIFIC OBJECTIVES

Students should be able to:

1. state the meaning and limitations of single entry records;
2. prepare opening and closing statement of affairs from incomplete records;
3. convert from single entry recording to double entry recording;
4. calculate missing figures in Trading and Profit and Loss Accounts;
5. prepare final accounts from incomplete records.

CONTENT

1. The meaning and limitation of single entry recording.
2. Preparation of opening and closing statement of affairs from incomplete records.
3. Calculation of missing amounts such as sales, purchases, expenses, depreciation and drawings.
4. The use of mark-up, margin and stock turnover to find missing amounts, such as, purchases, sales and gross profit.
5. Preparation of Trading and Profit and Loss Account and Balance Sheet from incomplete records.

◆ SECTION 9: ACCOUNTING FOR PARTNERSHIPS

SPECIFIC OBJECTIVES

Students should be able to:

1. define a partnership business;
2. state the features of a partnership;
3. give reasons for establishing partnerships;
4. outline the essential components of a partnership agreement;
5. prepare journal entries and ledger accounts to record the capital of partnership;
6. use various methods to share profit/loss among partners;
7. prepare appropriation account of partnerships;
8. prepare current account of partners;
9. explain the significance of the brought down balances on partners' current accounts;
10. prepare balance sheet of partnerships;
11. analyze performance and position using ratios.

CONTENT

1. Definition of partnership; comparison of a partnership with sole-traders and corporations; types of partners.
2. Features of partnership - voluntary association, mutual agency, unlimited liability.
3. Reasons for formation of partnership, for example, increased capital, diverse skills.
4. Features of partnership agreement, including share of profits, interest on capital and drawings, salaries.
5. The capital account of partners - cash and non-cash resources; types of capital account -fixed and fluctuating capital accounts and their implications.
6. Methods of sharing profit/loss: capital ratio; fixed percentage, equally.
7. The preparation of the appropriation account.



ACCOUNTING FOR PARTNERSHIPS (cont'd)

8. The current account prepared with items posted from the appropriation account; columnar form and single accounts.
9. The significance of the debit and credit balances brought down on the current accounts.
10. The treatment of current account balances on the balance sheet; (*emphasis on capital section*).
11. The calculation and interpretation of accounting ratios.

◆ SECTION 10: ACCOUNTING FOR CORPORATIONS (LIMITED LIABILITY COMPANIES)

SPECIFIC OBJECTIVES

Students should be able to:

1. identify the essential features of a limited liability company;
2. outline the advantages and disadvantages of a limited liability company in relation to sole proprietorship and partnership;
3. describe the various methods of raising capital available to limited liability companies;
4. prepare journal entries to record the issue of shares and debentures;
5. identify the various types of shares and the rights of the owners of each type of share;
6. identify the various components of shareholders' equity;
7. calculate dividend payments for various types of shares;
8. appropriate profits between dividends and reserves;
9. prepare the final accounts of a limited liability company;
10. analyze performance and position using ratios.

CONTENT

1. Nature of limited liability companies; public and private.
2. Advantages and disadvantages of limited liability companies.
3. Methods of raising capital - equity (preference and ordinary shares), debt (debentures, bank loans).
4. Issue of shares and debentures.
5. Types of shares; rights and privileges of owners of each type of share.
6. Elements of shareholders' equity: share capital, reserves.
7. Calculation of dividend payments.



ACCOUNTING FOR CORPORATIONS (Limited Liability Companies) (cont'd)

8. Appropriation of profits (dividends and reserves).
9. Final accounts of limited liability companies.
10. Calculation and interpretation of accounting ratios.

◆ SECTION 11: ACCOUNTING FOR CO-OPERATIVE SOCIETIES

SPECIFIC OBJECTIVES

Students should be able to:

1. identify the essential features of a Co-operative;
2. identify types of Co-operatives;
3. describe the various methods of raising capital for a Co-operative;
4. prepare the Income Statement showing how surplus is distributed;
5. prepare the Balance Sheet of a Co-operative.

CONTENT

1. Nature of Co-operative societies; Co-operative principles.
2. Types of Co-operatives, for example, credit unions, agricultural societies.
3. Raising capital for a Co-operative society; journal entries to record capital.
4. Preparation of Income Statement showing distribution of surplus.
5. Preparation of Balance Sheet.

◆ SECTION 12: ACCOUNTING FOR NON-TRADING (NON- PROFIT) ORGANIZATIONS

SPECIFIC OBJECTIVES

Students should be able to:

1. identify types of non-trading and non-profit organizations;
2. outline the differences in accounting procedures for trading and non-trading (non-profit) organizations;
3. prepare receipts and payment accounts;
4. prepare income generating accounts for non-trading organizations;
5. distinguish between capital expenditure and revenue expenditure;
6. prepare the Income and Expenditure Account;
7. prepare the Balance Sheet.

CONTENT

1. Non-trading and Non-profit organizations, for example, clubs and societies.
2. Accounting procedures for trading and non-trading organizations.
3. Preparation of receipts and payments A/c.
4. Preparation of income generating accounts: subscription A/c; bar/trading A/c; dance A/c.
5. Distinction between capital expenditure and revenue expenditure.
6. Preparation of Income and Expenditure Account treating transfer from income generating accounts (deficit/surplus).
7. Preparation of Balance Sheets including calculation of accumulated fund; treatment of deficit or surplus on accumulated fund.

◆ SECTION 13: MANUFACTURING ACCOUNTS

SPECIFIC OBJECTIVES

Students should be able to:

1. distinguish between direct and indirect costs;
2. prepare manufacturing accounts;
3. calculate unit cost of items produced;
4. prepare final accounts for a manufacturing concern.

CONTENT

1. Elements of cost: direct materials, direct labour and factory overheads.
2. Preparation of manufacturing account showing:
 - (a) cost of raw material consumed;
 - (b) prime cost;
 - (c) factory overheads;
 - (d) work in progress;
 - (e) cost of production.
3. Calculation of unit cost of items produced.
4. Preparation of Trading, Profit and Loss Account and Balance Sheet of a manufacturer.

◆ SECTION 14: PAYROLL ACCOUNTING

SPECIFIC OBJECTIVES

Students should be able to:

1. identify basic source documents of the payroll;
2. transfer information from time cards or sheets to payroll;
3. calculate employees' gross earnings;
4. calculate employees' net pay;
5. distinguish between voluntary and statutory deductions.

CONTENT

1. Use of time cards, time books, electronic clock-in cards, employee earnings records.
2. Calculation of gross earnings (wages) from employee records.
3. Preparation of payroll and wage documents from time cards, computer records.
4. Calculation of statutory deductions and non-statutory deductions, for example, income tax, social security and mortgage.
5. Statutory and non-statutory deductions.

◆ GUIDELINES FOR THE CONDUCT OF THE SCHOOL-BASED ASSESSMENT IN PRINCIPLES OF ACCOUNTS

School-Based Assessment (SBA) is an integral part of student assessment in the course covered by this syllabus. It is intended to assist students in acquiring certain knowledge, skills and attitudes that are associated with the subject. The activities for the School-Based Assessment are based on the syllabus and should form part of the learning activities to enable the student to achieve the objectives of the syllabus.

During this course of study, students obtain marks for the competencies they develop and demonstrate in undertaking their SBA assignments. These marks contribute to the final marks and grades that are awarded to students for their performance in the examination.

The guidelines provided in this syllabus for selecting appropriate tasks are intended to assist teachers and students in the selection of assignments that are valid for the purpose of School-Based Assessment. The guidelines provided for the assessment of these assignments are intended to assist teachers in awarding marks that are reliable estimates of the achievement of students in the School-Based Assessment component of the course. In order to ensure that the scores awarded by the teachers are consistent with the Caribbean Examinations Council's standards, the Council undertakes the moderation of a sample of the SBA assignments submitted by the school.

School-Based Assessment provides an opportunity to individualize a part of the curriculum to meet the needs and interests of students. It facilitates feedback to the student at various stages of the experience. This helps to build the self-confidence of students as they proceed with their studies. The SBA also facilitates the development of critical skills and abilities, emphasized by the subject and enhances the validity of the examination scores.

RESEARCH PROJECT

The School-Based Assessment component of the Principles of Accounts syllabus is a single guided research project *for school candidates*. The project should involve the manipulation of accounting data in real-life situations, obtained through the SIMULATION OR ACTUAL OPERATION of a business entity. All activities selected must be within the law and must lend themselves to the collection of accounting data and application of accounting principles identified in the mark scheme on pages 29-30 of the syllabus. Others are advised to gather data from entities and situations with which they are familiar and from data which may be easily obtained, for example,

- (i) school's cafeteria and stationery shop;
- (ii) snack shop at school events;
- (iii) events coordinated by students such as concerts and fashion shows;
- (iv) sporting and other cultural clubs at school.

The project must satisfy the objectives in the syllabus that are related to:

- (i) books of original entry, including cash book, general journal sales and purchases journal;
- (ii) the ledger: 12 – 20 transactions;
- (iii) trial balance;
- (iv) financial statements and ratio analysis.

SBA REQUIREMENTS

Every candidate who enters for the CSEC Principles of Accounts examination must submit a report on a project. Students may work individually or in groups to gather data. However, each candidate must produce a complete report. No two reports from the same group should be identical. The report should *not exceed* 1,000 words, (not including appendices). Wherever a candidate exceeds the maximum length for the project by more than 10 per cent, the teacher must impose a penalty of 10 per cent of the score that the candidate achieves on the project. On the candidate's script, the teacher should clearly indicate the candidate's original score – that is, the score before the deduction is made – the marks which are to be deducted, and the final score that the candidate receives after the deduction has been made.

Only the final score is to be indicated on the record sheets which are submitted to CXC *electronically via the SBA data capture module on the Online Registration System (ORS) on the Council's website.*

Students doing more than one subject in the Business cognate group may submit one SBA project under a theme which covers the group.

PROJECT REPORTS

A student's report should be presented *electronically or* in a soft folder bearing the student's name, number, name of subject, school, centre number and the date submitted. The project document should comprise the following in the order prescribed below.

1. Table of contents
2. Aim of the project
3. Information about the entity operated or simulated, namely,
 - name of entity and description of activity
 - actual accounting procedures used and records kept
 - performance of the business
 - interpretation of results: by simple ratios, comparisons
 - conclusion.

In addition, all appendices should be attached, including source documents, diagrams, charts and statistical data.

MANAGEMENT OF THE PROJECT

School-Based Assessment tasks should be completed in the course of normal teaching time and supervised and marked by the teacher. Although some of the data collection and research work must be undertaken outside of normal school time, the teacher must be satisfied that the work submitted for assessment is the student's own work.

The teacher must:

- (a) provide assistance to students in the selection of projects and identification of appropriate stationery;
- (b) advise students of the nature of the task, the scope and depth required to fulfil it and the availability of resource materials;
- (c) monitor students' progress by advising them of the quality of their work and by recommending ways to improve the quality of the project;
- (d) collect and grade students' projects;
- (e) keep records of students' marks and submit these, together with samples of their work, as requested by CXC;
- (f) ensure that the SBA guidelines are closely followed and the marking criteria are adequately met.

MARK SCHEME FOR RESEARCH PROJECTS

The project should be marked out of 40, weighted as follows:

- | | | | |
|-------|--------------------|---|----------|
| (i) | Knowledge (K) | - | 10 marks |
| (ii) | Application (A) | - | 20 marks |
| (iii) | Interpretation (I) | - | 10 marks |

CRITERIA		P1- K	P2- A	P3- I
1.	PRESENTATION (Total 12 marks)			
(a)	<i>Layout (7 marks)</i>			
	▪ Table of contents included	1		
	▪ Aims clearly stated	2		
	▪ 4 different types of source documents used	1		
	▪ Diagrams, pictures and tables used	1		
	▪ Information properly sequenced	1		
	▪ Report is neatly and tidily presented		1	
(b)	<i>Relevance (2 marks)</i>			
	▪ Simulated or actual business entity identified and activities described		1	
	▪ Relevant information and records of entity provided		1	
(c)	<i>Completeness (3 marks)</i>			
	▪ Specified period under review stated		1	
	▪ A minimum of five accounts completed and balanced to date		1	
	▪ All sections of the project are in evidence and report duly completed		1	
Sub-Total		6	6	0
2.	APPLICATION OF PRINCIPLES (Total 14 marks)			
(a)	<i>Accurate use of principles (5 marks)</i>			
	▪ Cash/Bank Account		1	
	▪ Income Statements		1	
	▪ Any other accounts		1	

CRITERIA		P1- K	P2- A	P3- I
	▪ Any book or books of original entry		1	
	▪ Classified Balance Sheet		1	
(b)	Correct recording of data from (4 marks)			
	▪ Cash Receipt		1	
	▪ Bank document		1	
	▪ Invoice		1	
	▪ Any other related document		1	
(c)	Accuracy of results as stated in (5 marks)			
	▪ Balances c/d		1	
	▪ Profits/Losses		1	
	▪ Balances transferred		1	
	▪ Trial Balance totals agreeing		1	
	▪ Balance Sheet balancing		1	
Sub-Total		0	14	0
3. CONCLUSION: SUMMARY: EVALUATION (Total 14 marks)				
(a)	A correct statement about the performance of the business operated or simulated (2 marks)			2
(b)	Further Interpretation of Results (4 marks)			
	▪ Ratios included (2 mark each; maximum 2 marks)			2
	▪ Comparisons made (beginning with end)			2
(c)	Suggestions And Recommendations (2 marks)			
	▪ Any two recommendations or suggestions regarding the business operated or simulated			2
(d)	Conclusion (2 marks)			
	▪ Relevance of conclusion in relation to stated aim of the project			2
Sub-Total		0	0	10
(e)	Communication of information in a logical way using correct grammar (4 marks)			
	▪ No grammatical errors or flaws and extensive use of appropriate accounting terms. (4 marks)			
	▪ Some grammatical errors and good use of appropriate accounting terms. (3 marks)			
	▪ Some grammatical errors and limited use of appropriate accounting terms. (2 marks)	4		
	▪ Numerous grammatical errors and poor use of appropriate accounting terms. (1 mark)			
	▪ Numerous grammatical errors and no use of appropriate accounting terms. (0 mark)			
Sub-Total		4	0	0
GRANDTOTAL		10	20	10

◆ GUIDELINES FOR THE ALTERNATIVE TO SCHOOL-BASED ASSESSMENT

The present syllabus for Principles of Accounts has been developed for examination and certification at General Proficiency only.

Paper 03/2 is the Alternative to School-Based Assessment (SBA) of the CXC examination in Principles of Accounts. Paper 01 is a multiple choice paper and Paper 02 is a problem-solving paper. Paper 03/1 is the SBA for school candidates and Paper 03/2 is for private candidates.

The Alternative to the School-Based Assessment in Principles of Accounts (Paper 03/2), takes the form of a written examination in lieu of internal teacher assessment for school candidates. This paper, of 90 minutes duration, will be based on the same area of the syllabus as the SBA component defined in the syllabus and weighted in the same way as the Paper 03/1 (SBA) for school candidates, as shown in the table below.

WEIGHTING OF PAPER (03/2) SBA					
Proficiency	Knowledge P1	Application P2	Interpretation P3	Total Marks	% of Total Exam
General	10	20	10	40	20

Paper 03/2 will consist of a case study and candidates will be required to answer between 10 and 15 questions based on the case study. Candidates are advised to familiarize themselves with the areas of the syllabus listed below, in order to prepare adequately for Paper 03/2. **Please note that candidates taking Paper 03/2 are NOT required to submit a project.**

Questions derived from the case studies should satisfy the objectives and content of:

Section 2: The Classified Balance sheet

Section 3: Books of Original Entry

Section 4: Ledgers and the Trial Balance

Section 5: The Preparation and Analysis of Financial Statements of The Sole-Trader

Section 6: End of Period Adjustments



◆ REGULATIONS FOR PRIVATE CANDIDATES

Private candidates must be entered for the examination through the Local Registrar in their respective territories. They will be required to sit Papers 01, 02, and **EITHER** Paper 03/1 or Paper 03/2.

Paper 03/1 is a single guided research project for candidates whose research must be monitored by tutors in a recognized educational institution. The reports must be original work and must be validated by the principal and the candidates' tutors.

Paper 03/2 is a written examination designed for candidates whose research projects cannot be monitored by tutors in a recognized educational institution and who have been assigned by the Local Registrar to write Paper 03/2 at a designated examination centre.

◆ REGULATIONS FOR RESIT CANDIDATES

Resit candidates who have obtained a **MODERATED** score of 50% or more of the SBA marks will not be required to repeat this component of the examination provided that they write the examination in the academic year immediately following their first sitting of the examination. Resit candidates who failed to achieve 50% of the total SBA marks must repeat the project during the academic year in which the examination is repeated. Resit candidates must indicate at registration that they are resit candidates.

◆ REGULATIONS FOR THE JANUARY SITTING

- i. All candidates for the January sitting who are taking CSEC Principles of Accounts examination for the first time **MUST** write Paper 03/2.
- ii. There is no SBA option (Paper 03/1) available for January candidates.
- iii. Resit candidates fall into two categories:
 - a. those resit candidates who wrote Paper 03/1 (SBA) in the year immediately preceding the January examination. Those who obtained a **MODERATED** score of 50% or more are **NOT** required to write Paper 03/2 in January;
 - b. those resit candidates who wrote Paper 03/2 (Alternative to SBA) in the year immediately preceding the examination. Those who obtained a **MODERATED** score of 50% or more are **NOT** required to re-write Paper 03/2 in January.
- iv. A candidate who qualified under iii(a) and iii(b) above who obtained a **MODERATED** score of 50% or more, but who wish to try to improve on his/her grade may write Paper 03/2 in January.
- v. All resit candidates who did **NOT** satisfy the 50% requirement (either on 03/1 or 03/2) are required to write Paper 03/2 in January.

Western Zone Office

2006/05/10

