### Standard 1: The Purpose of Accounting

*Students will be able to:*

- **BA.1.1** Understand book-keeping and accounting.
- **BA.1.2** Understand the purpose of measuring profit and loss.
- **BA.1.3** Understand the role of accounting in providing information for monitoring progress and decision-making.

### Standard 2: Sources and Recording of Data

*Students will be able to:*

- **BA.2.1** The double entry system of book-keeping
  - BA.2.1.1 Explain the meaning of assets, liabilities and owner’s capital.
  - BA.2.1.2 Explain and apply the accounting equation.
  - BA.2.1.3 Outline the double entry system of book-keeping.
  - BA.2.1.4 Process accounting data using the double entry system.

- **BA.2.2** Business Documents
  - BA.2.2.1 Recognize and understand the following documents: invoice, credit note, debit note, statement of account.
  - BA.2.2.2 Complete proforma business documents.
  - BA.2.2.3 Understand the use of business documents as sources of information.

- **BA.2.3** The Ledger
  - BA.2.3.1 Prepare ledger accounts in either the “T” account format or running balance format.
  - BA.2.3.2 Post transactions to the ledger accounts.
  - BA.2.3.3 Balance ledger accounts as required.

### Standard 3: Verification of Accounting Records

*Students will be able to:*

- **BA.3.1** The Trial Balance
  - BA.3.1.1 Understand that a trial balance is a statement of ledger balances on a particular date.
  - BA.3.1.2 Outline the uses and limitations of a trial balance.
  - BA.3.1.3 Prepare a trial balance from a given list of balances and amend a trial balance which contains errors.

- **BA.3.2** Correction of Errors
  - BA.3.2.1 Correct errors by means of journal entries.
  - BA.3.2.2 Correct errors by means of suspense accounts.
  - BA.3.2.3 Adjust the profit or loss for an accounting period after the correction of errors.
  - BA.3.2.4 Understand the effect of correction of errors on a balance sheet.

- **BA.3.3** Bank Reconciliation
  - BA.3.3.1 Understand the use and purpose a bank statement.
  - BA.3.3.2 Update the cash book for bank charges, bank interest paid and received, correction of errors, credit transfers, direct debits, dividends, and standing orders.
  - BA.3.3.3 Understand the purpose of, and prepare, a bank reconciliation statement to include bank errors, uncredited deposits, and presented checks.
Standard 4: Accounting Procedures

**Students will be able to:**

**BA.4.1** Capital and revenue expenditure and receipts
- BA.4.1.1 Distinguish between and account for capital expenditure and revenue expenditure.
- BA.4.1.2 Distinguish between and account for capital receipts and revenue receipts.
- BA.4.1.3 Calculate and comment on the effects on profit of incorrect treatment.
- BA.4.1.4 Calculate and comment on the effects on asset valuations of incorrect treatment.

**BA.4.2** Accounting for depreciation and disposal of assets
- BA.4.2.1 Define depreciation.
- BA.4.2.2 Explain the reasons for accounting for depreciation.
- BA.4.2.3 Name and describe the straight line, reducing balance, and revaluation methods of depreciation.

**BA.4.3** Accruals (other payables) and prepayments (other receivables)
- BA.4.3.1 Recognize the importance of matching costs and revenues.
- BA.4.3.2 Prepare ledger accounts and journal entries to record accrued and prepaid expenses.
- BA.4.3.3 Prepare ledger accounts and journal entries to record accrued and prepaid incomes.

**BA.4.4** Bad debts and provision for doubtful debts
- BA.4.4.1 Understand the meaning of bad debts and bad debts recovered.
- BA.4.4.2 Prepare ledger accounts and journal entries to record bad debts written off.
- BA.4.4.3 Prepare ledger accounts and journal entries to record bad debts recovered.
- BA.4.4.4 Explain the reasons for maintaining a provision for doubtful debts.
- BA.4.4.5 Prepare ledger accounts and journal entries to record the creation for and adjustments to, a provision for doubtful debts.

**BA.4.5** Inventory valuation (stock valuation)
- BA.4.5.1 Understand the basis of stock valuation at the lower of cost and net realizable value.
- BA.4.5.2 Prepare simple inventory (stock) valuation statements.

Standard 5: Principles of Financial Statements (final accounts)

**Students will be able to:**

**BA.5.1** Income Statements
- BA.5.1.1 Calculate the gross and net profits or losses based on accounting principles, for a specified period.
- BA.5.1.2 Recognize that net profit (or loss) is the increase (or decrease) in the net assets during that period.

**BA.5.2** Balance Sheets
- BA.5.2.1 Recognize that they are statements of balances of assets and liabilities on a specified date.
- BA.5.2.2 Recognize and define fixed assets (non-current assets), intangible assets, current assets, current liabilities, long-term liabilities, working capital, capital employed, and capital owned.
- BA.5.2.3 Comment on the inter-relationship of balance sheet items.
Standard 6: Analysis and Interpretation

Students will be able to:

**BA.6.1 Accounting Ratios**
BA.6.1.1 Compute and explain the following ratios:
   a. Percentage of gross profit to revenues
   b. Percentage of net profit to revenues
   c. Return on capital employed
   d. Current ratio
   e. Quick ratio
   f. Rate of stock turnover
   g. Collection period for debtors
   h. Payment period for creditors

**BA.6.2 Interpretation of Accounting Ratios**
BA.6.2.1 Prepare and comment on simple statements showing comparison of results for different years.
BA.6.2.2 Make recommendations and suggestions for improving profitability and working capital.
BA.6.2.3 Understand the significance of the difference between the gross profit percentage and the net profit percentage as an indicator of a business’s efficiency.

**BA.6.3 Inter-firm comparison**
BA.6.3.1 Understand the problems of inter-firm comparison due to factors such as differing accounting policies.
BA.6.3.2 Apply accounting ratios to inter-firm comparison.