Accounting A – Level: Initial Assessment

Before you begin your accounting course, we would like for you to research a couple of topics and answer some questions to help you get started.

1. Define accounting and explain how it is used within the world of business.
2. Source documents are the first stage of the accounting process. A source document is used as evidence that a transaction has taken place. Each type of transaction will require a different type of source document, for legal and record keeping purposes.

 Complete the below table, defining each type of source document and stating which type of transaction it may be used for:

|  |  |  |
| --- | --- | --- |
| Sales invoice  | Definition | Transaction Type |
| Purchase invoice |  |  |
| Credit note sent / purchases credit note |  |  |
| Credit note received / sales credit note |  |  |
| Bank statement |  |  |
| Cheque counterfoil  |  |  |
| Paying in slip counterfoil  |  |  |
| Cash receipt |  |  |
| Till roll |  |  |

1. Accounting is often seen as a decision making tool, during your course you will be looking at different individuals and organisations who may wish to make a decision based on accounting information. We call them stakeholders.

Identify two types of stakeholders in a business and explain why they would have an interest in the company accounts and what sort of decisions they could make based on accounting information.

1. You will sit two accounting exams in order to attain your A-Level in Accounting. One on management accounting and one on Financial Accounting.

Explain the difference between management and financial accounting: