

# GETTING AHEAD



Start to develop skills that are relevant to your course before you join HSDC this September!

## Accounting – A Level

### Introduction

A qualification in accounting will always be helpful, whether it's used professionally or personally. This course will help you to understand the responsibilities of the accountant and the impacts of their recommendations on the business and the wider environment.

You will build knowledge and understanding of key concepts, principles and techniques that you can apply to real-life scenarios, developing the ability to solve problems logically, analyse data methodically, make reasoned choices and communicate effectively.

### Activities

#### Task 1

Accounting involves new vocabulary with which you may not yet be familiar. A Glossary is a list of words and their corresponding meanings. These words are listed in alphabetical order. It helps you to understand words which are new to you. Your task is to research the meaning of the **20 words** listed below and to produce a word-processed glossary of these words, in a table as shown below. The first word has been completed for you.

***You will need to save this work, as it will be of use to you throughout your Accounting course.***

#### Glossary of Accounting

Word(s)	Definition
Accounting	The systematic recording, reporting, and analysis of financial transactions of a business.

The words to be included in your glossary are: (continued next page)

Accounting	Current Assets	Gross Profit
Asset	Current Liabilities	Income Statement

**We look forward to seeing you in September!**

For further information about your College and being a student at HSDC, please visit [hsdc.ac.uk/Havant](https://hsdc.ac.uk/Havant)

Capital	Drawings	Inventory
Cost of Sales	Expenses	Liability
Non-current Assets	Purchases	Trade Payables
Non-current Liabilities	Revenue	Trade Receivables
Profit/Loss for the year	Statement of Financial Position	

## **Task 2**

In Accounting you will be required to produce Financial Statements which consist of an Income Statement and a Statement of Financial Position. You will need to understand the terminology used (words from your glossary in Task 1) and how to calculate them.

**Subtract figures in brackets and add those that are not in brackets.**

An example of each to help you is shown below.

***Please complete the questions on the sheet below, remembering to add your name and then print them to bring to College at the start of term in September and submit to your Accounting lecturer when you start the A Level Accounting course.***

### **Income Statement (Profit and Loss Account)**

	£
Revenue	510,293
(Cost of Revenue)	(217,189)
Gross Profit	293,104
(Expenses)	(252,666)
Profit for the year	40,438

### **Statement of Financial Position (Balance Sheet)**

	£
Non-current Assets	52,050
Current Assets	106,234
(Current Liabilities)	(88,153)

**We look forward to seeing you all in September!**

For further information about your College and being a student at HSDC, please visit [hsdc.ac.uk/Havant](https://hsdc.ac.uk/Havant)

(Non-current Liabilities)	(15,000)
Net Assets	55,131
<u>Financed by</u>	
Capital	55,131

<b><u>NAME:</u></b>		
Please <b>show your workings</b> clearly in the box provided.		
	Questions	Workings and Answer
1	Revenue is £300,345 and cost of sales are £215,098. What is the gross profit?	
2	Gross profit is £54,765 and expenses are £43,651. What is the profit?	
3	Revenue is £456,321, cost of sales is £257,086, and expenses are £107,468. What is the gross profit and the profit?	
4	Revenue is £741,086 and gross profit is £357,864. What are cost of sales?	
5	Gross profit is £206,827 and profit is £54,231. What are expenses?	
6	Revenue is £765,987, cost of sales is £543,789, and expenses are £250,120. What is the gross profit and the profit?	
7	Non-current assets are £560,890, current assets are £109,710, current liabilities are £98,453, and non-current	

**We look forward to seeing you all in September!**

For further information about your College and being a student at HSDC, please visit [hcdc.ac.uk/Havant](https://hcdc.ac.uk/Havant)

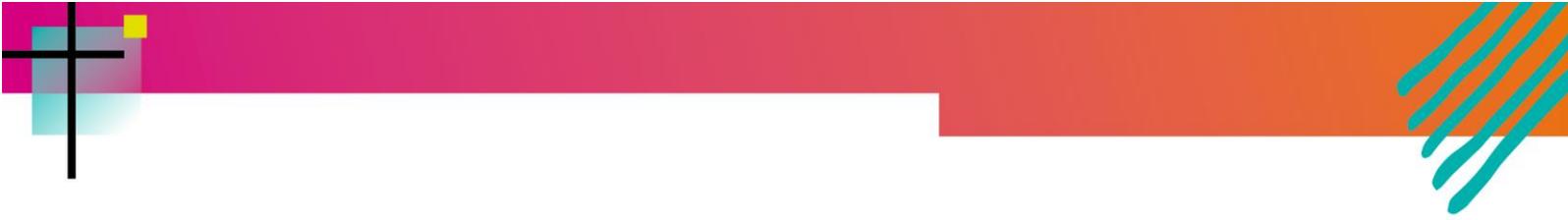
	liabilities are £18,000. What are net assets?	
8	Non-current assets are £408,743, current assets are £123,650, current liabilities are £107,456. What are net assets?	
9	Net assets are £402,057, non-current assets are £397,122, current assets are £91,100, and non-current liabilities are £13,500. What are current liabilities?	
10	Net assets are £152,134, current assets are £58,200, current liabilities are £33,333, and non-current liabilities are £12,000. What are non-current assets?	
11	If net assets are £592,600, what is capital?	
12	Capital is £386,843, non-current assets are £412,211, current assets are £68,394 current liabilities are £79,500, and non-current liabilities are £14,262. What are net assets?	

## Read

- <https://www.businessaccountingbasics.co.uk/accounting-terms/>
- [https://wps.pearsoned.co.uk/wps/media/objects/3507/3591169/glossary/glossary\\_fa.html](https://wps.pearsoned.co.uk/wps/media/objects/3507/3591169/glossary/glossary_fa.html)
- <https://www.tutor2u.net/business/reference/introduction-to-finance>

**We look forward to seeing you all in September!**

For further information about your College and being a student at HSDC, please visit [hcdc.ac.uk/Havant](https://hcdc.ac.uk/Havant)



Please note that Business students use the term **Balance Sheet** (UK term), whereas Accounting students call it the **Statement of Financial Position** (International Accounting term). They are the same thing!

## Watch

- <https://www.tutor2u.net/business/reference/introduction-to-the-income-statement>
- <https://www.tutor2u.net/business/reference/introduction-to-the-balance-sheet>

## Did You Know?

### Five interesting & fun facts about Accounting

1. It's a word as old as time (almost) – the original word was translated from Latin origin.
2. Archaeologists have discovered ancient clay accounting tokens dating from 4000 – 3000 BC.
3. Accountants help catch bad guys – allegedly the FBI has over 1000 accountants deemed to be “special agents”.
4. Some celebrities began their careers in accounting – including Mick Jagger of the Rolling Stones.
5. It was an accountant who invented bubble-gum.

To read more about these stories, visit:

- <https://financepitch.com/interesting-facts-about-accounting/>
- [https://en.wikipedia.org/wiki/Forensic\\_accounting](https://en.wikipedia.org/wiki/Forensic_accounting)

**We look forward to seeing you all in September!**

For further information about your College and being a student at HSDC, please visit [hsdc.ac.uk/Havant](https://hsdc.ac.uk/Havant)