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INTERNATIONAL GCSE

Accounting (9-1)

SPECIFICATION

Pearson Edexcel International GCSE in Accounting (4AC1)

For first teaching September 2017
First examination June 2019

Pearson

edexcel

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Edexcel, BTEC and LCCI qualifications

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About Pearson

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Acknowledgements

This specification has been produced by Pearson on the basis of consultation with teachers, examiners, consultants and other interested parties. Pearson would like to thank all those who contributed their time and expertise to the specification's development.

References to third party material made in this specification are made in good faith. Pearson does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)

All information in this specification is correct at time of going to publication.

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1 About this specification

The Pearson Edexcel International GCSE in Accounting is part of a suite of International GCSE qualifications offered by Pearson.

This qualification is not accredited or regulated by any UK regulatory body.

This specification includes the following key features.

Structure: the Pearson Edexcel International GCSE in Accounting is a linear qualification. All papers must be taken at the end of the course of study.

Content: features a relevant and engaging body of content that has been updated to current standards.

Assessment: comprises written and practical papers, allowing students to demonstrate and apply their knowledge and understanding of accounting.

Approach: building a foundation for students wishing to progress to the Pearson Edexcel International Advanced Level in Accounting, or equivalent qualifications.

Specification updates

This specification is Issue 1 and is valid for the Edexcel International GCSE examination from 2019. If there are any significant changes to the specification, Pearson will inform centres to let them know. Changes will also be posted on our website.

For more information please visit qualifications.pearson.com

Using this specification

This specification has been designed to give guidance to teachers and to encourage effective delivery of the qualification. The following information will help you get the most out of the content and guidance.

Compulsory content: as a minimum, all the bullet points in the content must be taught.

Examples: throughout the content, we have included examples of what could be covered or what might support teaching and learning. It is important to note that examples are for illustrative purposes only. We have included examples that are easily understood and recognised by international centres.

Assessments: use a range of material and are not limited to the examples given. Teachers should deliver the qualification using a good range of examples to support the assessment of the content.

Depth and breadth of content: teachers should use the full range of content and all the Assessment Objectives given in *Section 2: Accounting content*.

Qualification aims and objectives

The aims and objectives of this qualification are to enable students to:

- understand the nature and purpose of accounting in business and organisations, and the principles on which accounting is based
- understand the use of accounting as an aid to business decision making
- understand the use of accounting as a means of assessing the financial position of an organisation
- develop the ability to quantify, to judge relevance and to write clear and concise explanations.

Why choose Edexcel qualifications?

Pearson – the world's largest education company

Edexcel academic qualifications are from Pearson, the UK's largest awarding organisation. With over 3.4 million students studying our academic and vocational qualifications worldwide, we offer internationally-recognised qualifications to schools, colleges and employers globally.

Pearson is recognised as the world's largest education company. This allows us to drive innovation and provide comprehensive support for Edexcel students so that they can acquire the knowledge and skills they need for progression in study, work and life.

A heritage you can trust

The background to Pearson becoming the UK's largest awarding organisation began in 1836, when a royal charter gave the University of London its first powers to conduct exams and confer degrees on its students. With over 150 years of international education experience, Edexcel qualifications have firm academic foundations, built on the traditions and rigour associated with Britain's educational system.

Results you can trust

Pearson's leading online marking technology has been shown to produce exceptionally reliable results, demonstrating that Edexcel qualifications maintain the highest standards at every stage.

Developed to Pearson's world-class qualifications standards

Pearson's world-class standards mean that all Edexcel qualifications are developed to be rigorous, demanding, inclusive and empowering. We work collaboratively with a panel of educational thought leaders and assessment experts, to ensure that Edexcel qualifications are globally relevant, represent world-class best practice and maintain a consistent standard.

For more information on the World-Class Qualification Process and Principles please go to *Appendix 2* or visit our website: uk.pearson.com/world-class-qualifications

Why choose the Pearson Edexcel International GCSE in Accounting?

We have listened to feedback from all parts of the international subject community. We have made changes that will engage students and provide opportunities to gain skills that will support progression to further study of Accounting, and to enhance future educational or employment prospects. Accounting qualifications can be particularly valuable for students wishing to progress into accountancy or financial careers; accountant graduates tend to have excellent employment prospects*, allowing many students to work in a range of global sectors and industries.

The content and assessment approach for this qualification has been designed to meet students' needs in the following ways.

Two paper assessment – through a new, two paper model which provides learners with better opportunities to prepare for and focus on different aspects of Accounting. We will test knowledge, understanding and application in paper 1 'Introduction to Bookkeeping', and focus the assessment on two realistic case studies in paper 2 'Financial Statements'.

Real life application – In paper 2 learners apply their knowledge in realistic case studies to produce and correct Financial Statements.

Clear and straightforward question papers – our question papers are clear and accessible for all students of all ability ranges. Our mark schemes are straightforward, so that the assessment requirements are clear.

Broad and deep development of skills – the design of the revised International GCSE aims to extend students' knowledge by broadening and deepening skills, for example students will develop the ability to:

- analyse, evaluate and present information in appropriate accounting formats.
- respond appropriately to a range of question types, including multiple choice, short answers, extended responses and questions requiring completion of accounts.
- develop an understanding of International Accounting Standard terminology – using International Financial Reporting Standards (IFRS) principles, procedures and techniques.

Progression to A Level – International GCSEs enable successful progression onto Level 3 qualifications (such as the International A Level in Accounting) and beyond, in Accounting and other subjects. Through our world class qualification development process we have consulted international Accounting teaching experts to validate this qualification, and endorse its content, skills development and assessment structure.

A glossary of IFRS terms used in this Specification is given in *Appendix 5*.

* Source: 2016 UK Complete University Guide

Supporting you in planning and implementing this qualification

Planning

- Our *Getting Started Guide* gives you an overview of the Pearson Edexcel International GCSE in Accounting to help you understand the changes to content and assessment, and to help you understand what these changes mean for you and your students.
- We will provide you with an editable course planner and schemes of work.
- Our mapping documents highlight key differences between the new and legacy qualifications.

Teaching and learning

- Our skills maps highlight opportunities for students to develop skills that are directly and indirectly assessed.
- Print and digital learning and teaching resources – promotes any time, any place learning to improve student motivation and encourage new ways of working.

Preparing for exams

We also provide a range of resources to help you to prepare your students for the assessments, including:

- specimen papers to support formative assessments and mock exams
- examiner commentaries following each examination series.

ResultsPlus

ResultsPlus provides the most detailed analysis available of your students' exam performance. It can help you to identify the topics and skills where further learning would benefit your students.

examWizard

A free online resource designed to support students and teachers with exam preparation and assessment.

Training events

In addition to online training, each year we host a series of training events for teachers to deepen their understanding of our qualifications.

Get help and support

Our subject advisor service ensures that you receive help and guidance from us. You can sign up to receive updates at the International GCSE Accounting page at qualifications.pearson.com or email 'sign me up' to teachingbusiness@pearson.com

Qualification at a glance

Paper overview

Paper 1: Introduction to Bookkeeping and Accounting	Paper code 4AC1/01*
• Externally assessed • Availability: January and June • First assessment: June 2019	66.6% of the total International GCSE
Content summary Students must study **all** of the following topics: Topic 1: The accounting environment Topic 2: Introduction to bookkeeping Topic 3: Introduction to control processes.	
Assessment • Students are assessed through a 2-hour written examination, set and marked by Pearson. • The examination comprises a mixture of multiple-choice, short- and long-answer questions, and is presented in two sections. **Section A** • Section A comprises 10 1-mark multiple-choice questions and three short-answer questions worth 5 marks each. **Section B** • Section B comprises five multi-part questions worth 15 marks each. • The total number of marks available for the examination paper is 100. • The examination addresses all three Assessment Objectives.**	

*See *Appendix 1: Codes* for a description of this code and all the other codes relevant to this qualification.

**See page 26 for details of the Assessment Objectives.

Paper 2: Financial Statements	Paper code 4AC1/02 *
• Externally assessed • Availability: January and June • First assessment: June 2019	33.3% of the total International GCSE
Content summary Students must study **both** of the following topics: Topic 4: The preparation of financial statements Topic 5: Accounting for end of period adjustments.	
Assessment • Students are assessed through a 1-hour 15-minute written examination, set and marked by Pearson. • The examination comprises two multi-part questions focusing on the preparation, analysis or evaluation of financial statements. • The total number of marks available for the examination paper is 50. • The examination addresses all three Assessment Objectives.**	

* See *Appendix 1: Codes* for a description of this code and all the other codes relevant to this qualification.

** See page 26 for details of the Assessment Objectives.

2 Accounting content

Topic 1: The accounting environment 13
Topic 2: Introduction to bookkeeping 15
Topic 3: Introduction to control processes 17
Topic 4: The preparation of financial statements 21
Topic 5: Accounting for end of period adjustments 23

Course structure

- The Pearson Edexcel International GCSE in Accounting comprises five topics:
  - Topic 1: The accounting environment
  - Topic 2: Introduction to bookkeeping
  - Topic 3: Introduction to control processes
  - Topic 4: The preparation of financial statements
  - Topic 5: Accounting for end of period adjustments
- Paper 1 will draw exclusively from topics 1-3
- Paper 2, which is more holistic in nature, builds on the knowledge, understanding and skills covered in topics 1-3 in addition to the content specified in topics 4 and 5
- The Pearson Edexcel International GCSE in Accounting is a linear qualification. All units must be taken in the terminal series at the end of the course of study.

Paper 1: Introduction to Bookkeeping and Accounting

In this paper, students will be assessed on their knowledge, understanding and skills related to the fundamental principles of accounting and bookkeeping.

The unit is divided into three topics:

Topic 1: The accounting environment

Topic 2: Introduction to bookkeeping

Topic 3: Introduction to control processes.

Paper 1 will draw exclusively from topics 1-3.

Topic 1: The accounting environment

What students need to learn:

1 Types of business organisation

a) Explain the characteristics of:
- public sector organisations
- private sector organisations
- sole traders
- partnerships.

b) Explain the connection between stakeholders and a business, identifying the stakeholders' use of the business's financial statements.

2 Accounting concepts

a) Understand the significance of the following accounting concepts:
- consistency
- prudence
- accruals
- materiality
- money measurement
- business entity.

3 Use of technology in accounting

a) Explain the benefits of using technology within accounting:
- accounting software
- spreadsheets.

b) Explain the issues regarding the security of data:
- data loss
- access
- confidentiality.

c) Explain the methods of protecting data:
- hardware
- software.

4 Professional ethics

a) Describe the principles of professional ethics.

b) Apply the principles of professional ethics to accounting roles and functions.

c) Explain the concept of public interest and how it is applied to accounting roles and functions.

Topic 2: Introduction to bookkeeping

What students need to learn:

1 Business documentation

a) Explain the purpose of business documents.

b) Prepare the following business documents:

- purchase order
- purchase invoice
- sales invoice
- credit note
- statement of account
- remittance advice
- petty cash voucher.

c) Cash receipt

2 Books of original entry

a) Explain the purpose of books of original entry.

b) Prepare the following books of original entry:

- purchases day book
- sales day book
- purchases returns book
- sales returns book
- three-column cash book
- petty cash book
- the journal.

3 Ledger accounting

a) Explain the purpose of the:

- nominal ledger
- receivables ledger
- payables ledger.

b) Record transactions in ledger accounts using double entry principles.

4 Capital expenditure and revenue expenditure

a) Explain the terms:

- capital expenditure
- revenue expenditure.

b) Explain the importance of the correct treatment of capital expenditure and revenue expenditure.

5 Depreciation

a) Explain the causes of depreciation.

b) Distinguish between straight line and reducing balance methods of depreciation.

c) Calculate and record depreciation in the books of account.

d) Calculate and record profit or loss of disposal of non-current assets.

6 Irrecoverable debts	a) Explain why it is necessary to provide a provision for irrecoverable debts. b) Distinguish between an irrecoverable debt and a provision for an irrecoverable debt. c) Calculate and record irrecoverable debts and provision for irrecoverable debts in the books of account.
7 Other receivables and payables	a) Explain why it is necessary to account for other receivables and payables. b) Distinguish between other receivables and payables. c) Calculate and record other receivables and payables in the books of account.

Topic 3: Introduction to control processes

What students need to learn:

1 Trial balance	a) Explain the purpose of a trial balance. b) Prepare a trial balance. c) Understand the limitations of a trial balance.
2 Control accounts	a) Explain the purpose of control accounts. b) Prepare a trade receivables control account and a trade payables control account.
3 Correction of errors	a) Identify and explain errors that do and do not affect the balancing of the trial balance. b) Prepare journal entries to correct errors. c) Prepare a suspense account.
4 Bank reconciliation statements	a) Explain the purpose of bank reconciliation statements. b) Understand the process of bank reconciliation. c) Prepare a bank reconciliation statement.

Paper 2: Financial Statements

In this paper, students will be assessed on their knowledge and understanding of financial statements and their ability to produce and make appropriate adjustments to entries at the end of an accounting period.

The unit is divided into two topics:

Topic 4: The preparation of financial statements

Topic 5: Accounting for end of period adjustments.

Paper 2, which is more holistic in nature, builds on the knowledge, understanding and skills covered in topics 1-3 in addition to the content specified in topics 4 and 5.

Topic 4: The preparation of financial statements

What students need to learn:

1 Financial statements of a sole trader	a) Prepare income statements to show gross profit and profit for the year. b) Prepare statements of financial position to show assets, liabilities and equity.
2 Financial statements of a partnership	a) Understand the nature of a partnership and the reasons for forming one. b) Understand the nature and structure of a limited liability partnership (LLP). c) Apply the provisions of Section 24 of the Partnership Act 1890 in relation to partners' salaries, division of profit or loss, interest on loans, capital and drawings. d) Understand the nature and purpose of an appropriation account. e) Prepare income statements and appropriation accounts. f) Prepare partners' current accounts and capital accounts. g) Prepare statements of financial position to include partners' capital balances and current account balances.
3 Incomplete records	a) Calculate the profit for the year by comparing the open and closing equity figures. b) Calculate revenue and purchases using appropriate accounting techniques, to include control accounts. c) Prepare income statements and statements of financial position from incomplete records and information.
4 The calculation and interpretation of accounting ratios	a) Explain the difference between profitability and liquidity. b) Calculate and interpret the following **profitability** ratios: • gross profit percentage • profit for the year as a percentage of revenue • return on capital employed. c) Calculate and interpret the following **liquidity** ratios: • current (working capital) ratio • liquid (acid test) ratio.
5 Financial statements of a manufacturer	a) Understand the difference between the inventories of raw materials, work-in-progress and finished goods. b) Prepare manufacturing accounts to show prime cost, production cost and total cost.

Topic 5: Accounting for end of period adjustments

What students need to learn:

1 Application of accounting concepts	a) Apply the following accounting concepts: • consistency • prudence • accruals • materiality • money measurement • business entity.
2 Depreciation	a) Explain the causes of depreciation. b) Distinguish between straight line and reducing balance methods of depreciation. c) Calculate and record depreciation in the books of account. d) Calculate and record profit or loss of disposal of non-current assets.
3 Irrecoverable debts	a) Explain why it is necessary to provide a provision for irrecoverable debts. b) Distinguish between an irrecoverable debt and a provision for an irrecoverable debt. c) Calculate and record irrecoverable debts and provision for irrecoverable debts in the books of account.
4 Other receivables and payables	a) Explain why it is necessary to account for other receivables and payables. b) Distinguish between other receivables and payables. c) Calculate and record other receivables and payables in the books of account.

3 Assessment information

Assessment requirements

Component/paper number and unit title	Level	Assessment information	Number of raw marks allocated in the component/paper
Paper 1: Introduction to Bookkeeping and Accounting	1/2	Two-hour written examination, set and marked by Pearson, comprising a mixture of multiple- choice, short- and long- answer questions.	100
Paper 2: Financial Statements	1/2	One-hour 15-minute written examination, set and marked by Pearson, comprising two multi-part questions on financial statements.	50

Assessment Objectives and weightings

		% in International GCSE
AO1	Demonstrate a knowledge and understanding of accounting terminology, principles, procedures and techniques	**35 – 40%**
AO2	Select and apply their knowledge and understanding of accounting procedures to a variety of accounting problems	**41 – 47%**
AO3	Analyse, evaluate and present information in appropriate accounting formats and communicate reasoned explanations	**17 – 20%**

Relationship of Assessment Objectives to units

Unit number	Assessment Objective		
	AO1	**AO2**	**AO3**
Paper 1	25 – 28%	23 – 25%	9 – 10%
Paper 2	11 – 12%	19 – 21%	8 – 9%
Total for International GCSE	**35 – 40%**	**41 – 47%**	**17 – 20%**

All components will be available for assessment from June 2019.

4 Administration and general information

Entries

Details of how to enter students for the examinations for this qualification can be found in our *International Information Manual*. A copy is made available to all examinations officers and is available on our website.

Students should be advised that, if they take two qualifications in the same subject, colleges, universities and employers are very likely to take the view that they have achieved only one of the two GCSEs/International GCSEs. Students or their advisers who have any doubts about subject combinations should check with the institution to which they wish to progress before embarking on their programmes.

Access arrangements, reasonable adjustments, special consideration and malpractice

Equality and fairness are central to our work. Our equality policy requires all students to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every student.

We are committed to making sure that:

- students with a protected characteristic (as defined by the UK Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to students who do not share that characteristic
- all students achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Language of assessment

Assessment of this qualification will only be available in English. All student work must be in English.

We recommend that students are able to read and write in English at Level B2 of the Common European Framework of Reference for Languages.

Access arrangements

Access arrangements are agreed before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual student with a disability without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding organisations comply with the duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students will then know what is available and have the access arrangement(s) in place for assessment.

Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a student with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular student may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, including:

- the needs of the student with the disability
- the effectiveness of the adjustment
- the cost of the adjustment; and
- the likely impact of the adjustment on the student with the disability and other students.

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, timeframes or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

Special consideration

Special consideration is a post-examination adjustment to a student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination/ assessment, which has had, or is reasonably likely to have had, a material effect on a candidate's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information

Please see our website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: www.jcq.org.uk

Candidate malpractice

Candidate malpractice refers to any act by a candidate that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in examinations **must** be reported to Pearson using a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice). The form can be emailed to pqsmalpractice@pearson.com or posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or centre malpractice.

Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration **must** be reported immediately, before any investigation is undertaken by the centre, to Pearson on a *JCQ Form M2(a)* (available at www.jcq.org.uk/exams-office/malpractice).

The form, supporting documentation and as much information as possible can be emailed to pqsmalpractice@pearson.com or posted to: Investigations Team, Pearson, 190 High Holborn, London, WC1V 7BH. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice itself constitutes malpractice.

More-detailed guidance on malpractice can be found in the latest version of the document *JCQ General and vocational qualifications Suspected Malpractice in Examinations and Assessments,* available at www.jcq.org.uk/exams-office/malpractice.

Awarding and reporting

The International GCSE qualification will be graded and certificated on a nine-grade scale from 9 to 1, using the total subject mark, where 9 is the highest grade. Individual components are not graded. The first certification opportunity for the Pearson Edexcel International GCSE in Accounting will be in 2017. Students whose level of achievement is below the minimum judged by Pearson to be of sufficient standard to be recorded on a certificate will receive an unclassified U result.

Student recruitment and progression

Pearson's policy concerning recruitment to our qualifications is that:

- they must be available to anyone who is capable of reaching the required standard
- they must be free from barriers that restrict access and progression
- equal opportunities exist for all students.

Prior learning and other requirements

There are no prior learning or other requirements for this qualification.

Progression

Students can progress from this qualification to:

- International AS and A Levels in Accounting and other subjects
- vocational qualifications, such as BTEC Nationals.

Appendices

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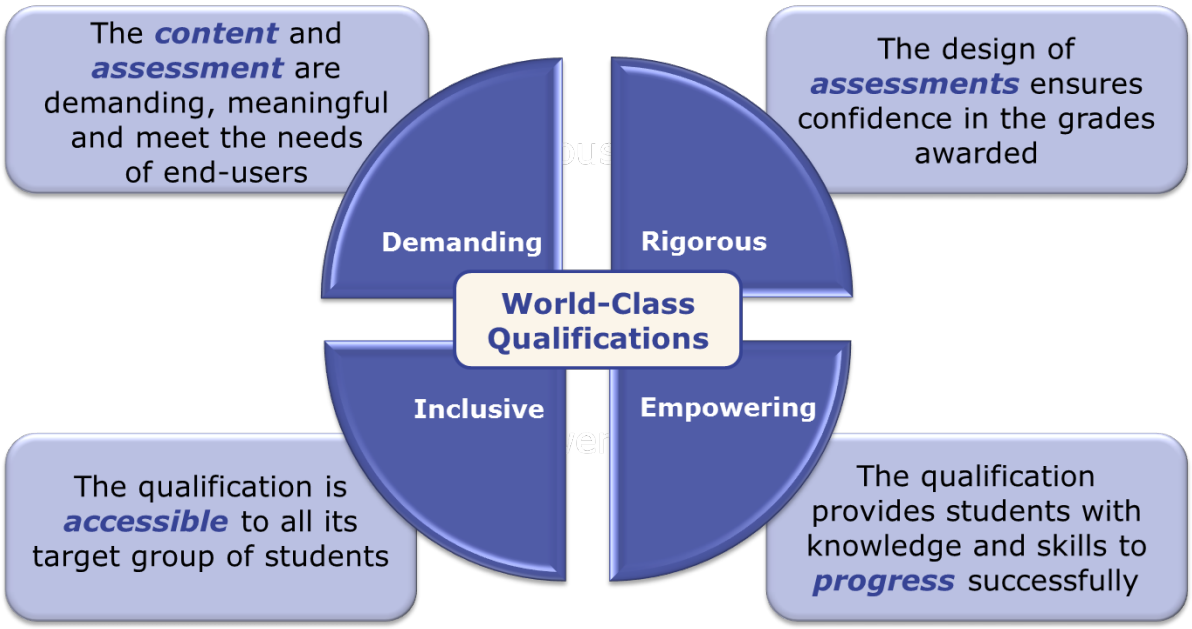
Appendix 1: Codes

Type of code	Use of code	Code
Subject codes	The subject code is used by centres to cash-in the entry for a qualification.	International GCSE – 4AC1
Paper codes	These codes are provided for information. Students may need to be entered for individual papers.	Paper 1: 4AC1/01 Paper 2: 4AC1/02

Appendix 2: Pearson World- class Qualification Design Principles

Pearson's world-class qualification design principles mean that all Edexcel qualifications are developed to be **rigorous, demanding, inclusive** and **empowering**.



We work collaboratively to gain approval from an external panel of educational thought leaders and assessment experts from across the globe. This is to ensure that Edexcel qualifications are globally relevant, represent world-class best practice in qualification and assessment design, maintain a consistent standard and support learner progression in today's fast-changing world.

Pearson's Expert Panel for World- class Qualifications is chaired by Sir Michael Barber, a leading authority on education systems and reform. He is joined by a wide range of key influencers with expertise in education and employability.

'I'm excited to be in a position to work with the global leaders in curriculum and assessment to take a fresh look at what young people need to know and be able to do in the 21st century, and to consider how we can give them the opportunity to access that sort of education.' Sir Michael Barber.

Endorsement from Pearson's Expert Panel for World-class Qualifications for International GCSE development processes

'We were chosen, either because of our expertise in the UK education system, or because of our experience in reforming qualifications in other systems around the world as diverse as Singapore, Hong Kong, Australia and a number of countries across Europe.

We have guided Pearson through what we judge to be a rigorous world-class qualification development process that has included:

- extensive international comparability of subject content against the highest-performing jurisdictions in the world
- benchmarking assessments against UK and overseas providers to ensure that they are at the right level of demand
- establishing External Subject Advisory Groups, drawing on independent subject-specific expertise to challenge and validate our qualifications.

Importantly, we have worked to ensure that the content and learning are future oriented, and that the design has been guided by Pearson's Efficacy Framework. This is a structured, evidence-based process which means that learner outcomes have been at the heart of this development throughout.

We understand that, ultimately, it is excellent teaching that is the key factor to a learner's success in education, but as a result of our work as a panel, we are confident that we have supported the development of Edexcel International GCSE qualifications that are outstanding for their coherence, thoroughness and attention to detail and can be regarded as representing world-class best practice.'

Sir Michael Barber (Chair)

Chief Education Advisor, Pearson plc

Professor Sing Kong Lee

Professor, National Institute of Education in Singapore

Dr Peter Hill

Former Chief Executive ACARA

Bahram Bekhradnia

President, Higher Education Policy Institute

Professor Jonathan Osborne

Stanford University

Dame Sally Coates

Director of Academies (South), United Learning Trust

Professor Dr Ursula Renold

Federal Institute of Technology, Switzerland

Professor Bob Schwartz

Harvard Graduate School of Education

Professor Janice Kay

Provost, University of Exeter

Jane Beine

Head of Partner Development, John Lewis Partnership

Jason Holt

CEO, Holts Group

Appendix 3: Transferable skills

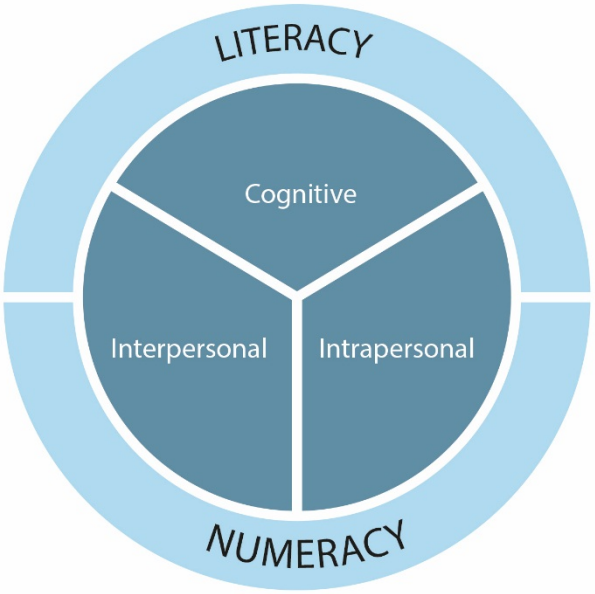
The need for transferable skills

In recent years, higher education institutions and employers have consistently flagged the need for students to develop a range of transferable skills to enable them to respond with confidence to the demands of undergraduate study and the world of work.

The Organisation for Economic Co-operation and Development (OECD) defines skills, or competencies, as 'the bundle of knowledge, attributes and capacities that can be learned and that enable individuals to successfully and consistently perform an activity or task and can be built upon and extended through learning.'[1]

To support the design of our qualifications, the Pearson Research Team selected and evaluated seven global 21st-century skills frameworks. Following on from this process, we identified the National Research Council's (NRC) framework [2] as the most evidence-based and robust skills framework, and have used this as a basis for our adapted skills framework.

The framework includes cognitive, intrapersonal skills and interpersonal skills.



The skills have been interpreted for this specification to ensure they are appropriate for the subject. All of the skills listed are evident or accessible in the teaching, learning and/or assessment of the qualification. Some skills are directly assessed. Pearson materials will support you in identifying these skills and developing these skills in students.

The table overleaf sets out the framework and gives an indication of the skills that can be found in accounting and indicates the interpretation of the skill in this area. A full subject interpretation of each skill, with mapping to show opportunities for students' development is provided on the subject pages of our website: qualifications.pearson.com

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[1] OECD (2012), Better Skills, Better Jobs, Better Lives (2012): http://skills.oecd.org/documents/OECDSkillsStrategyFINALENG.pdf

[2] Koenig, J. A. (2011) Assessing 21st Century Skills: Summary of a Workshop, National Research Council

Cognitive skills	Cognitive processes and strategies:	• Critical thinking • Problem solving • Analysis • Reasoning • Interpretation • Decision making • Adaptive learning • Executive function
	Creativity:	• Creativity • Innovation
Intrapersonal skills	Intellectual openness:	• Adaptability • Personal and social responsibility • Continuous learning • Intellectual interest and curiosity
	Work ethic/ conscientiousness:	• Initiative • Self-direction • Responsibility • Perseverance • Productivity • Self-regulation (metacognition, forethought, reflection) • Ethics • Integrity
	Positive core self-evaluation:	• Self-monitoring/ self-evaluation/ self-reinforcement
Interpersonal skills	Teamwork and collaboration:	• Communication • Collaboration • Teamwork • Cooperation • Interpersonal skills
	Leadership:	• Leadership • Responsibility • Assertive communication • Self-presentation

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Appendix 4: Glossary

Term	Definition
Assessment Objectives	The requirements that students need to meet to succeed in the qualification. Each Assessment Objective has a unique focus that is then targeted in examinations or coursework. Assessment Objectives may be assessed individually or in combination.
External assessment	An examination that is held at the same time and place in a global region.
JCQ	Joint Council for Qualifications. This is a group of UK exam boards that develops policy related to the administration of examinations.
Linear	Linear qualifications have all assessments at the end of a course of study. It is not possible to take one assessment earlier in the course of study.
Modular	Modular qualifications contain units of assessment. These units can be taken during the course of study. The final qualification grade is worked out from the combined unit results.
Raw marks	Raw marks are the actual marks that students achieve when taking an assessment. When calculating an overall grade raw marks often need to be converted so that it is possible to see the proportionate achievement of a student across all units of study.

Appendix 5: Glossary of International Accounting Standards terminology

The following is a glossary of the comparison between the International Finance Reporting Standards (IFRS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology. IFRS terminology is used in the content of Pearson's financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications.

Centres should be aware that these terms are also referred to as International Accounting Standards (IAS) in certain contexts within the industry. However, the definitions and meaning remain the same.

IFRS terminology	**Previously used UK GAAP terminology**
Financial statements	Final accounts
Statement of profit or loss and other comprehensive income	**Trading and profit and loss account**
Revenue	Sales
Raw materials/ordinary goods purchased	Purchases
Cost of sales	Cost of goods sold
Inventory	Stock
Work in progress	Work in progress
Gross profit	Gross profit
Other operating expenses	Sundry expenses
Allowance for doubtful debt	Provision for doubtful debt
Other operating income	Sundry income
Investment revenues/finance income	Interest receivable
Finance costs	Interest payable
Profit for the year	Net profit
Retained earnings	Profit/loss balance
Statement of changes in equity (limited companies)	**Appropriation account**
Statement of financial position	**Balance sheet**

Non-current assets	**Fixed assets**
Property	Land and buildings
Plant and equipment	Plant and equipment
Investment property	Investments
Intangible assets	Goodwill etc
Current assets	**Current assets**
Inventory	Stock
Trade receivables	Debtors
Other receivables	Prepayments
Bank and cash	Bank and cash
Current liabilities	**Current liabilities/creditors: amounts due within 12 months**
Trade payables	Creditors
Other payables	Accruals
Bank overdraft and loans	Loans repayable within 12 months
Non-current liabilities	**Long term liabilities/creditors: amounts falling due after 12 months**
Bank (and other) loans	Loans repayable after 12 months
Capital or equity	**Capital**
Share capital	Share capital
Statement of cash flows	**Cash flow statement**
Other terms	
Inventory count	Stock take
Carrying value	Net book value

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