



Mapping of the Pre-2015 Level 3 Certificate in Accounting - ASE3012

To:

Pearson LCCI Level 3 Certificate Accounting (VRQ) – (First teaching October 2015) - ASE20104

Pre-2015 qualification: Level 3 Certificate in Accounting - ASE3012		Pearson LCCI Level 3 Certificate in Accounting (VRQ) (First teaching October 2015) - ASE20104	
Syllabus Topic	Items Covered	Map: Fully covered/Partially covered/Not covered and the subject content area reference, e.g. 2.1 (a)	
1. Levels 1 and 2 revisited	<p>1.1 Undertake more advanced examples of specification topics contained in the specification at Levels 1 and 2 and not covered elsewhere in this specification</p>	<p>Special reference will be made to the following:</p> <p>a) accounting for depreciation and bad and doubtful debts</p> <ul style="list-style-type: none"> • preparation of final accounts for a sole trader • preparation of final accounts from incomplete records • preparation of final accounts for a non-trading organisation • preparation of manufacturing accounts • sales and purchase ledger control accounts and reconciliation with the total of the list of balances in the subsidiary sales and purchase ledgers • correction of errors and use of suspense account 	<p>There are no formal entry requirements for this revised qualification, but learners will study topics which are at a more challenging level than levels 1 and 2</p>
2. Valuation of inventories	<p>2 Valuation of inventories</p>	<p>2.1 Undertake more advanced examples of the Level 2 syllabus for this topic area</p>	<p>Fully Covered 2.1 (a)</p>

	2.2 Inventory accounts	2.2.1 Explain the objectives of inventory accounts 2.2.2 Prepare inventory accounts 2.2.3 Differentiate between perpetual and periodic inventory valuation	Fully Covered 2.1 (a, b)
	2.3 Inventory valuation for final accounts	2.3.1 Explain and/or apply the following cost bases: FIFO; average cost; replacement cost; standard cost.	Fully Covered 2.1 (c, d)
	2.4 Ascertaining inventory in the absence of physical count	2.4.1 Adjust inventory valuation for stock movement before or after end of accounting period	Fully Covered 2.1 (e, f, g)
3. Valuation of fixed assets	3 Valuation of fixed assets	3.1 Undertake more advanced examples of the Levels 1 and 2 specification for this topic area	Fully Covered 2.2 (a)
		3.2 Explain and apply the following additional methods of depreciation: units of output; machine hour; sum of year's' digits; annual revaluation	Partially Covered 2.3 (b) – only straight line basis and reducing balance basis included in new specification. Other methods will now be assessed in level 4.

		3.3 Calculate the effect of a change in the basis of depreciation of a fixed asset	Fully Covered 2.3 (d)
		3.4 Calculate the change in the charge for depreciation when there is a change in the life and/or residual value of a fixed asset	Fully Covered 2.3 (e)
4. Partnerships	4 Partnerships	Undertake more advanced examples of the Level 2 Specification for this topic area	Fully Covered 4.1
	4.2 Changes in partnership interests during a financial year	4.2.1 Prepare entries for the division of profits/losses in accordance with a partnership agreement	Fully Covered 4.1 (c)
		4.2.2 Prepare entries for the division of an income statement into periods before and after the date of change in a partnership agreement, if within an accounting period, using time, turnover and other bases	Fully Covered 4.1 (c)
		4.2.3 Prepare entries to partners' capital accounts for funds introduced/withdrawn	Fully Covered 4.1 (b)

		<p>4.2.4 Prepare entries for the adjustment of partners' capital and/or current accounts for share of unrecorded assets/liabilities when profit/loss ratios are changed</p> <p>4.2.5 Prepare entries for the inclusion or exclusion from the books of any assets/liabilities in accordance with partners' decisions</p>	<p>Fully Covered 4.1 (c)</p> <p>Fully Covered 4.1 (c)</p>
	<p>4.3 Admission or retirement of partners during a financial year</p>	<p>4.3.1 Prepare the entries to partners' capital accounts for funds introduced/withdrawn</p> <p>4.3.2 Make adjustment to partners' capital and/or current accounts for share of unrecorded assets/liabilities</p> <p>4.3.3 Divide an income statement into periods before and after date of admission or retirement of partners, if within an accounting period using time, turnover and other bases of apportionment</p>	<p>Not covered at L3. Is now assessed within the Pearson LCCI Level 2 Bookkeeping and Accounting</p>

	4.4 Conversion into a company	<p>4.4.1 Prepare a sale of business account in partnership books</p> <p>4.4.2 Prepare a dissolution (realisation) account in partnership books</p> <p>4.4.3 Show the distribution of proceeds between partners</p> <p>4.4.4 Close the partners' capital accounts in partnership books</p> <p>4.4.5 Prepare a purchase of business account in company books</p> <p>4.4.6 Record the issue of shares and debentures etc in company books</p> <p>4.4.7 Record goodwill in company books</p> <p>4.4.8 Divide profits before and after incorporation</p>	Fully Covered 4.1 (e)
5. Companies	5 Companies	5.1 Undertake more advanced examples of the Level 2 specification for this topic area	Fully Covered 4.2

	<p>5.2 Issue of shares and issue and redemption of debentures</p>	<p>5.2.1 Prepare the application and allotment account</p> <p>5.2.2 Prepare the share capital and debenture accounts</p> <p>5.2.3 Prepare the share and/or debenture premium accounts</p> <p>5.2.4 Record the calls on shares and debentures</p> <p>5.2.5 Record the redemption of debentures</p>	<p>Not covered at L3. Is now assessed at L4 Certificate in Financial Accounting</p>
	<p>5.3 Purchase of own ordinary shares and redemption of preference shares</p>	<p>5.3.1 Record the purchase, by a company, of its own ordinary shares out of the proceeds of a new issue made for that purpose</p> <p>5.3.2 Record the purchase, by a company, of its own ordinary shares out of distributable reserves</p> <p>5.3.3 Record the purchase, by a company, of its own ordinary shares from a mix of a new issue and distributable reserves</p> <p>5.3.4 Record the redemption of preference shares</p>	<p>Not covered at L3. Is now assessed at L4 Certificate in Financial Accounting</p>

	5.4 Rights and bonus (capitalisation) issues of shares	<p>5.4.1 Explain what is meant by a rights issue of shares and prepare the necessary accounts</p> <p>5.4.2 Explain what is meant by a bonus issue of shares and prepare the necessary accounts, making appropriate use of available reserves</p>	Fully Covered 4.2 (a)
	5.5 Distributable profits	5.5.1 Assess the influence of liquidity on the decision whether or not to distribute profits	Fully Covered 4.2 (b)
	5.6 Profits prior to incorporation	<p>5.6.1 Calculate the profit earned prior to incorporation</p> <p>5.6.2 Apply the required accounting treatment to the pre-incorporation profits</p>	Not covered at L3. Is now assessed at L4 Certificate in Financial Accounting
6. Accounting for groups of companies	6 Accounting for groups of companies	<p>6.1 Prepare a consolidated income and/or balance sheet for a simple group</p> <p>6.2 Calculate goodwill on consolidation or cost of control</p> <p>6.3 Calculate minority</p>	Fully Covered 4.3

		<p>interest</p> <p>6.4 Calculate group retained earnings</p> <p>6.5 Treat profits in stock</p> <p>6.6 Treat inter-company dividends</p> <p>6.7 Treat inter-company balances</p> <p>6.8 Treat items in transit, e.g. stock and cash</p> <p>6.9 Treat fair value of fixed assets</p> <p>6.10 Explain the reasons for the adjustments used in consolidation</p>	
7. Cash flow statements	7 Cash flow statements	<p>7.1 Explain and use the formats contained in IAS 7</p> <p>7.2, 7.3 Prepare cash flow statements in accordance with IAS 7</p>	Fully Covered 4.2 (b)
8. Accounting ratios	8 Accounting ratios	8.1 Undertake more advanced examples of the Level 2 Specification for this topic area	Fully Covered 6.1

	8.2 Calculate the following additional ratios	8.2.1 Gearing 8.2.2 Sales to fixed assets 8.2.3 Sales to capital employed 8.2.4 Net profit to total assets employed 8.2.5 Earnings per share 8.2.6 Price/earnings 8.2.7 Dividend yield 8.2.8 Dividend cover for ordinary shares 8.2.9 Earnings yield 8.2.10 Interest cover	Fully Covered 6.1 (c)
	8.3 Further considerations	8.3.1 Interpret and comment on the ratios 8.3.2 Prepare final accounts using ratios	Fully Covered 6.1 (a, b, d)
9. Budgetary control	9.1 Cash budgets	9.1.1 Calculate budgeted cash inflows and cash outflows for each period 9.1.2 Prepare cash budgets using a columnar layout in accordance with the periods required, quarterly (three	Fully Covered 7.1 (b)

		monthly) etc.	
	9.2 Budgeted statements	9.2.1 Prepare a budgeted income statement and/or balance sheet from given information. The use of accounting ratios may be required	Fully Covered 7.1 (c)
	9.3 Interpretation	9.3.1 Comment on the results obtained from the preparation of cash budgets and budgeted income statements and balance sheets	Fully Covered 7.1 (c)
10. Introduction to decision making	10.1 Breakeven	10.1.1 Explain what is meant by the breakeven point 10.1.2 Calculate the breakeven point in both sales units and sales value 10.1.3 Calculate the profit or loss for a given number of units sold 10.1.4 Calculate the number of units required to be sold	Fully Covered 8.1 (b)

		<p>in order to generate a given amount of profit</p> <p>10.1.5 Comment on the results obtained</p>	
	10.2 Simple payback	<p>10.2.1 Explain what is meant by the payback method of investment appraisal</p> <p>10.2.2 Calculate the payback period using either constant or uneven cash flows</p> <p>10.2.3 Comment on the results obtained and make recommendations</p> <p>10.2.4 State the advantages and disadvantages of using payback as a method of investment appraisal</p>	Fully Covered 8.2 (a, b)
	10.3 Net present value method of discounted cash flow	<p>10.3.1 Explain the meaning of the time value of money</p> <p>10.3.2. Explain what is meant by net present value (either positive or negative)</p> <p>10.3.3 Calculate net present value. Extracts from discount tables will be</p>	Fully Covered 8.2 (a, b)

		<p>provided</p> <p>10.3.4 Comment on the results obtained and make recommendations</p> <p>10.3.5 State the advantages and disadvantages of using net present value as a method of investment appraisal</p>	
	10.4 Accounting rate of return	<p>10.4.1 Explain what is meant by the accounting rate of return</p> <p>10.4.2 Calculate the accounting rate of return using the formula:</p> $\frac{\text{Average profits after depreciation but before interest} \times 100}{\text{initial capital costs}}$ <p>10.4.3 Comment on the results obtained and make recommendations</p> <p>10.4.4 State the advantages and disadvantages of using the accounting rate of return as a method of investment appraisal</p>	Fully Covered 8.2 (a, b)

11. Concepts and accounting framework	11 Concepts and accounting framework	11.1 Explain the following: <ul style="list-style-type: none"> • going concern concept • accruals or matching concept • prudence concept • consistency concept • entity concept • separate valuation principle • materiality concept • historical cost convention • objectivity concept • duality concept • substance over form 	Partially Covered 1.1: <ul style="list-style-type: none"> • going concern • accruals • prudence • consistency
		11.2 Explain and apply the principles incorporated in the following accounting standards; IAS 2 -Inventories IAS 7 - Cash flow statements IFRS 3 - Accounting for business combinations IAS 27 – Consolidated financial statements IAS 16 – Property, plant and equipment	IAS 2- Inventories covered in 2.1 Fully Covered: IAS 1 - Presentation of financial statements covered in 1.1 IAS 7 - Cash flow statements covered IFRS 3 - Accounting for business combinations covered in 4.3 IAS 27 - Consolidated financial statements covered in 4.3 IAS 16 - Property, plant and equipment covered in 2.2

