

In addition to the above PASS criteria, this assignment gives you the opportunity to submit evidence in order to achieve the following MERIT and DISTINCTION grades

Grade Descriptor	Indicative characteristic/s	Contextualisation
M1 Identify and apply strategies to find appropriate solutions	<ol style="list-style-type: none"> 1. Effective judgements have been made. 2. An effective approach to study and research has been applied. 	<p>To achieve M1, you will need to make effective judgements at distinguishing between accounting policies and estimates using relevant examples of accounting policies, accounting estimates and measurement bases (Task 1).</p> <p>To achieve M1, you will make effective judgements about the purpose of financial accounting information for different user groups (external & internal) using relevant examples of the elements of financial statement (Task 3).</p> <p>To achieve M1, you will need to apply effective approach & judgements to evaluate the qualitative characteristics of financial information using appropriate examples (Task 4).</p>
M2 Select / design and apply appropriate methods / techniques	<ol style="list-style-type: none"> 1. Relevant theories and techniques have been applied. 2. A range of methods and techniques have been applied. 3. A range of sources of information has been used. 	<p>To achieve M2, you will need to apply relevant accounting concepts and should use range of information's to identify source documents for the financial information given in scenario (A). You need to apply the principles of double entry system to describe the procedure relating to credit transactions using information given in scenario (A).</p> <p>To achieve M2, you will need to apply relevant accounting policies, accounting estimates and measurement bases and a range of methods to compute the amount of depreciation using different methods and explaining resulting charges to the financial statements (Task 5).</p> <p>To achieve M2 you will need to apply relevant accounting policies, accounting estimates and rules of double entry to differentiate between capital and revenue expenditure using relevant examples from the elements financial statements. (Task 6).</p>
M3 Present and communicate appropriate findings	<ol style="list-style-type: none"> 1. A range of methods of presentation have been used and technical language has been accurately used. 2. The appropriate structure and approach has been used 	<p>To achieve M3, you will need to apply a range of methods of presentation, appropriate structure and approach for computation of depreciation and technical language should be accurately used. (Task 5).</p> <p>To achieve M3 you will need to prepare correctly the financial statements for a sole trader and partnership firm, using appropriate structure, approach and prescribed formats (Task 7).</p>

<p>D1 Use critical reflection to evaluate own work and justify valid conclusions</p>	<p>Conclusions have been arrived at through synthesis of ideas and have been justified.</p>	<p>To achieve D1, you should justify the conclusions drawn on the basis of relevant accounting policies, principles and concepts in critically evaluating the qualitative characteristics of financial information (Task 4).</p> <p>To achieve D1, you should justify the conclusions drawn on the basis of relevant accounting policies & rules at differentiating capital & revenue expenditure and in assessing its resulting charges to the financial statements using appropriate examples.(Task 6)</p>
<p>D2 Take responsibility for managing and organising activities</p>	<p>Autonomy/independence has been demonstrated.</p>	<p>To achieve D2, you should take an effective approach to independent research to study accounting policies and principles, methods of computing depreciation and in assessing its resulting charges to the financial statements .You will have met the deadline to submit the tasks and achieve the unit assessment criteria. (Task 5).</p> <p>To achieve D2 you should take an effective approach to independent research to prepare the financial statements for a sole trader and partnership firm. You will have met the deadline to submit the tasks and achieve the unit assessment criteria. (Task 7).</p>
<p>D3 Demonstrate convergent /lateral / creative thinking</p>	<p>1. Ideas have been generated and decisions taken 2. Convergent and lateral thinking have been applied .A range of sources of information has been used.</p>	<p>To achieve D3 you should to apply lateral thinking to relevant accounting policies and principles of financial accounting in preparation of financial statements for a sole trader and partnership firm in the prescribed formats and in commenting on the significant features revealed by the financial statements. (Task 7).</p>

Assignment Brief

Assignment title	Application of accounting policies, principles & financial statements of a sole trader and partnership form of business organization.
Purpose of this assignment	Accounting is concerned with collecting, analysing and communicating financial information. This information is useful for a range of users to help them make better judgements and decisions concerning a business. Financial information and decisions exert an enormous influence over the way in which a business operates. This assignment will help you to understand and apply accounting policies, accounting estimates and measurement bases and to be able to prepare financial statements of a sole trader and partnership form of business organization.
Scenario 'A'	Scenario 'A' addresses LO 1.2.
	Given below are some business transactions of ABC Traders, a retail electronic goods dealer, for the month of December 2016:
Dec 1	Purchased office equipment on credit from Star Electronics for OMR 75,000
Dec 2.	Goods purchased on 2 months credit from XYZ Traders for OMR 80, 000.
Dec 10.	Sold goods for cash OMR 20,000 and on credit to Ahmed Traders for OMR 40,000
Dec 14.	Goods purchased costing OMR 1,500 were not as per the order so were returned to 'XYZ Traders'.
Dec 16	Goods sold on credit costing OMR 1,000 were defective so were returned by customer 'Ahmed Traders'.
Dec 25.	Office furniture purchased on credit OMR 35,000 from Greenwood Furniture Ltd.
Dec 30.	Bought a delivery van for OMR 40,000, cheque issued.
Dec 31.	Electricity bill received for the month of Nov and December OMR 100, not yet paid.

Scenario 'B'

Scenario 'B' addresses LO 1.1, 1.3, 1.4, 3.2 and LO 3.3 (A).

The trial balance of Bader Traders(a retail Electronic goods dealer) for the year ended 31st December 2016 is given below:

	Amt in OMR Dr	Amt in OMR Cr
Office Building, at cost	500,000	
Office Equipment , at cost	300,000	
Accumulated depreciation on building (1 st January 2016)		50,000
Accumulated depreciation on equipment (1 st January 2016)		45,000
Purchases	600,000	
Sales		800,000
Inventory (1 st January 2016)	35,000	
Advertisement expense	14,000	
Interest on loan	15,000	
Salaries	87,700	
Rent	36,000	
Bad debts	1,000	
Utility bill expense	8,500	
Other administrative expenses	20,400	
Trade payables		30,000
Trade Receivables	50,000	
Cash in hand	20,200	
Bank balance	32,600	
Drawings	10,000	
Capital		655,400
10% Long term loan		150,000
	1,730,400	1,730,400

The following additional information is available:

- i. Inventory at the end of the year has been valued at cost at OMR 90,000.
- ii. Salaries of OMR 13,300 were still outstanding at the year end.
- iii. Rent expense includes a prepayment of OMR 18,000. Rent paid in advance for the month of January, February 2017.
- iv. Depreciation for the year ended 31 December 2016 has still to be allowed for as follows:
 - Office Building : 5 % per annum using the straight line method; and
 - Office Equipment: 15% per annum using the reducing balance method

Scenario 'C'

Scenario 'C' addresses LO 3.3 (B)

Hashim, Salman and Zayed are partners in the ABC partnership firm, sharing profits in the ratio of 2:2:1 respectively. Their capital and current account balances on 1st January 2016 were as follows.

	Capital Accounts OMR	Current Accounts OMR
Hashim	160,000	50,000
Salman	100,000	(8,000) Dr
Zayed	80,000	25,000

The additional information is given below:

- i. Interest at 9% per annum is given on the fixed capital amounts.
- ii. Salaries of OMR 10,000 per annum are credited to partners Salman and Zayed's current account.
- iii. The partnership profit for the year ended 31st December 2016 was OMR 90,000 and the partners had made drawings of: Hashim OMR 30,000; Salman OMR 24,000; Zayed OMR 20,000 during the year.
- iv. Interest on drawings is charged at 5 % of the year –end balance.

ASSIGNMENTS TASKS 1.1, 1.2, 1.3, 1.4, 3.1, 3.2, 3.3

Task 1

LO1- AC 1.1 -Distinguish between accounting policies, accounting estimates and measurement bases. (P, M1)

1.1 The preparation of a company's financial statements is of great importance in determining the firm's financial stability and in understanding the firm's ability to operate in the future without facing liquidity issues. The financial statements must "present fairly" the financial position, financial performance and cash flows of an entity and therefore requires proper use of accounting theories and techniques. **Accounting policies** and **accounting estimates** serve this purpose by ensuring that the accounting data recorded in the company books are valid in terms of regulatory requirements and financial reporting accuracy.

To achieve pass you must;

Distinguish between accounting policies, accounting estimates and measurement bases.

To achieve M1, you will need to make effective judgements at distinguishing between accounting policies and estimates using relevant examples of accounting policies, accounting estimates and measurement bases. (You may use financial information given in the above scenario 'B' and from Task 7)

Task 2

LO1- AC 1.2 - Identify the documents and describe the procedure relating to credit transactions. (P,M2)

1.2 Identify and explain the various source documents, books of prime entry for the transactions of ABC Traders for the month of December 2016 and describe the procedures relating to credit transactions, from the financial information given in scenario (A).

To achieve pass you must;

Identify the various source documents, books of prime entry for the transactions of ABC Traders for the month of December 2016 and describe the procedures relating to credit transactions, from the financial information given in scenario (A)

To achieve M2, you will need to apply relevant accounting concepts and should use range of information's to identify source documents for the financial information given in scenario (A).

You need to apply the principles of double entry system to describe the procedure relating to credit transactions using information given in scenario (A).

Task 3

LO1- AC 1.3 - Explain nature and objectives of financial accounting. (P, M1)

1.3 Accountancy is the process of communicating financial information about a business entity to users such as shareholders and managers (Elliot, Barry & Elliot, Jamie: Financial accounting and reporting).

Explain nature and objectives of financial accounting .Explain for what purpose would the different user groups need accounting information?

(You may use financial information given in scenario B , C and Task 7)

To achieve pass you must;

Explain nature and objectives of financial accounting and explain for what purpose would the different user groups need accounting information?

To achieve M1, you will make effective judgements about the purpose of financial accounting information for different user groups (external & internal) using relevant examples of the elements of financial statements.

Task 4

LO1- AC 1.4 - evaluate the qualitative characteristics of financial information .(P, M1,D1)

1.4 To meet these users' needs, it can be argued that accounting information should possess certain key qualities. Critically evaluate the qualitative characteristics of financial information.

(You may use financial information given in scenario B, C and Task 7)

To achieve pass you must;

Evaluate the qualitative characteristics of financial information.

To achieve M1, you will need to apply effective approach & judgements to evaluate the qualitative characteristics of financial information using appropriate examples.

To achieve D1, you should justify the conclusions drawn on the basis of relevant accounting policies, principles and concepts in critically evaluating the qualitative characteristics of financial information.

Task 5

LO 3- AC 3.1 - compute the amount of depreciation using different methods and explain resulting charges to the income statement.(P, M2, M3 , D2)

Tanner Ltd, Sport goods manufacturer and dealer, purchased machinery on 1 January 2014, at a cost of OMR 200,000. The machinery has an expected life of five years and a residual value of OMR 20,000.

Required:

- i. What is the purpose of charging depreciation in the accounts?
- ii. Compute depreciation on machinery for Tanner Ltd for minimum 3 years using straight line method and reducing balance method(rate of depreciation in 15 % per annum) and assessing its resulting charges to the financial statements by preparing Income statement (extract) and Statement of financial position (extract) for Financial years 2014, 2015 & 2016).
- iii. You are also required to prepare non-current asset account, Accumulated depreciation account for the financial years ended 31st December 2014, 2015 and 2016.

To achieve pass you must;

Compute the amount of depreciation using different methods and explain resulting charges to the income statement.

To achieve M2, you will need to apply relevant accounting policies, accounting estimates and measurement bases and a range of methods to compute the amount of depreciation correctly using different methods and explaining resulting charges to the financial statements.

To achieve M3, you will need to apply a range of methods of presentation, appropriate structure and approach for computation of depreciation and technical language should be accurately used.

To achieve D2, you should take an effective approach to independent research to study accounting policies and principles, methods of computing depreciation and in assessing its resulting charges to the financial statements .You will have met the deadline to submit the tasks and achieve the unit assessment criteria.

Task 6

LO 3- AC 3.2 differentiate between capital and revenue expenditure. (P, M2,D1)

3.2 Compare and contrast between capital and revenue expenditure with examples. (You may use financial information given in scenario A & B).

To achieve pass you must;

Differentiate between capital and revenue expenditure.

To achieve M2 you will need to apply relevant accounting policies, accounting estimates and rules of double entry to differentiate between capital and revenue expenditure using relevant examples from the elements financial statements.

To achieve D1, you should justify the conclusions drawn on the basis of relevant accounting policies & rules at differentiating capital & revenue expenditure and in assessing its resulting charges to the financial statements using appropriate examples.

Task 7

LO3 - AC 3.3- prepare simple financial statements from the trial balance for a sole trader and partnership firm. (P, M3, D2, D3)

3.3 (A) Prepare an Income Statement for the year ended 31st December 2016 and a Statement of Financial Position of Bader Traders as at 31 December 2016, (showing full workings) from the financial information given in scenario (B).

3.3 (B) Prepare appropriation account, the partners' capital and current accounts in respect of the year ended 31st December 2016 of ABC partnership firm from the financial information given in scenario (C).

To achieve pass you must;

Prepare financial statements from the trial balance for a sole trader and partnership firm using financial information given in scenario B & C .

To achieve M3 you will need to prepare correctly the financial statements for a sole trader and partnership firm, using appropriate structure, approach and prescribed formats.

To achieve D2 you should take an effective approach to independent research to prepare the financial statements for a sole trader and partnership firm. You will have met the deadline to submit the tasks and achieve the unit assessment criteria.

To achieve D3 you should to apply lateral thinking to relevant accounting policies and principles of financial accounting in preparation of financial statements for a sole trader and partnership firm in the prescribed formats and in commenting on the significant features revealed by the financial statements.

Evidence checklist	Summary of evidence required by student	Evidence presented
Task 1	Identifying and distinguishing between accounting policies, accounting estimates and measurement bases.	
Task 2	Identifying and explaining the various source documents, books of prime entry, and the procedures relating to credit transactions.	
Task 3	Assessing the nature and objectives of financial accounting.	
Task 4	Evaluating the qualitative characteristics of financial information.	
Task 5	Computing the amount of depreciation using different methods and explaining resulting charges to the income statement.	
Task 6	Differentiating between capital and revenue expenditure.	
Task 7	Preparing simple financial statements from the trial balance for a sole trader and partnership firm.	

Guidance notes:

1. Use standard document formats and structures.
2. Word process the documents.
3. Use 12 point Arial or Times New Roman script.
4. Provide a list of references and use the Harvard referencing system.
5. Complete the title page and sign the statement of authenticity.
6. Upload the entire assignment in MS word format only on Turnitin.
7. Staple only once to keep the pages of your work together.
8. Late submission, late work will only be marked on the next occasion the unit is taught.
9. Submit the work along with the Turnitin report to the respective assessors in their offices.
10. Collect the assignment submission form duly signed by the assessor and the learner.
11. Grades are subject to External Verification.
- 12. The word limits for assignment will be 2500 words. The tolerance rate is 5% of the word limits.**