

Accounting @  
Wyke Start

▶ In the  
'virtual  
world'

# A LEVEL ACCOUNTING

2020-2022

# Let's stop there for a second.....

- ▶ You may wish to make some notes as you go through so, take a break and grab yourself a pen/ paper etc
- ▶ Once we are through with this presentation, if there are any questions which you still have regarding the study of A Level Accounting, please contact either myself or the Head of Department at the following email address;
- ▶ [Nicola.baker@wyke.ac.uk](mailto:Nicola.baker@wyke.ac.uk)
- ▶ [Jo.morgan@wyke.ac.uk](mailto:Jo.morgan@wyke.ac.uk)

# STRUCTURE OF THE COURSE

- ▶ 4 Lessons per week (70 minutes each)
- ▶ 2 x 3 hour external exams at the end of the course- May/ June 2022
- ▶ Continual assessments throughout the course

# Why choose Accounting at Wyke?

- ▶ 'OUTSTANDING' results
- ▶ Committed teaching
- ▶ High expectations
- ▶ Combines well with other numerical/ business related subjects although no requirement to study particular subjects
- ▶ Pathway to a successful career- you will hear a little about this later on
- ▶ One of VERY FEW institutions in the local area to offer this qualification



# What will you learn?

- ▶ Many areas including;
- ▶ How to complete 'accounts' for a variety of business organisations- sole traders, partnerships, limited companies
- ▶ Interpretation of business accounts- be able to give advice to clients
- ▶ Calculation of costs and selling prices for products
- ▶ Making a choice between alternative projects
- ▶ How to set up the accounts/ books for your own business
- ▶ Simply- paper 1 focuses on how business' have performed in the past
  - ▶ Paper 2 focuses on decisions the business will taking when looking to the future

# Year 1 student experience

▶ James Collison

▶ Aaron Kemp

# Double entry

- ▶ The most fundamental part of Accounting- underpins everything that you do!
- ▶ Will begin with this topic in year 1
- ▶ **Very important** to accounting studies
- ▶ Initially can be confusing but there will be loads of practice
- ▶ **Golden rule-** in everything we do in Accounting, there must always be 2 entries.  
AN EQUAL AND OPPOSITE ENTRY



**IF YOU ARE BUYING OR SELLING SOMETHING,  
THINK ABOUT WHAT HAPPENS TO MONEY!**

**CASH**

- ▶ Does it increase or decrease?

**BANK**

- ▶ Does it increase or decrease?

I go to a pub ( On July 4<sup>th</sup> of course...) and I buy a glass of wine. It costs £5 and I pay using cash

- ▶ 2 things have happened-
- ▶ I have MORE wine
- ▶ I have LESS cash
  
- ▶ BUT, as Accountants, we don't like to use the words MORE and LESS- we use the terms

## **DEBIT AND CREDIT**

# ALWAYS THINK FIRST ABOUT THE EFFECT ON MONEY (cash and bank)

If it INCREASES;

▶ **DEBIT**

If it DECREASES;

▶ **CREDIT**

# SO...back to the glass of wine- what is the effect?

- ▶ **CREDIT cash ( as cash is decreasing)**
- ▶ **DEBIT wine ( as I must have an opposite entry)**
- ▶ **Always think about what is happening to money first!!!!**

# Let's work through some examples;

- ▶ I sell my car and receive money straight into my bank account;

Is it cash or bank?	Is cash/ bank increasing decreasing?	What is the opposite effect? Why is it happening?
BANK	INCREASING	FROM THE SALE OF MY CAR
	<b>DEBIT BANK</b>	<b>CREDIT CAR</b>



# Let's work through some examples;

- ▶ I pay my business insurance using cash;

Is it cash or bank?	Is cash/ bank increasing decreasing?	What is the opposite effect? Why is it happening?
CASH	DECREASING	BECAUSE I AM PAYING INSURANCE
	<b>CREDIT CASH</b>	<b>DEBIT INSURANCE</b>

# YOUR TURN....WHAT WOULD YOU DEBIT AND CREDIT?

	DEBIT	CREDIT
I purchase some new shoes paying by cash		
I win the lottery and receive a cheque		
I put petrol in my car and pay using my debit bank card		
I withdraw cash from the cash machine		

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I withdraw cash from the cash machine	cash	bank

# Year 2 student experience

▶ Jack Arnett

# Back to double entry....

- ▶ What about if we buy or sell something but we do not either pay or receive money until a later date...?
- ▶ I may sell some furniture today but not receive the money until the end of the month
- ▶ This is known as operating ON CREDIT
- ▶ It presents the concept of double entry with a problem... as I said that the first thing to think about is what happens to the money? In this case, nothing is happening with money as we are not paying or receiving any money yet...

# It's fairly simple...

- ▶ Simply replace the cash/ bank transaction with whoever you owe/ who owes money to you
- ▶ For example...
- ▶ 1) I sell my car on credit to John...
- ▶ 2) ONE WEEK LATER... John gives me a cheque for the amount he owes me

	DEBIT	CREDIT
1	John	car
2	bank	John

# YOUR TURN....WHAT WOULD YOU DEBIT AND CREDIT?

	DEBIT	CREDIT
I purchase a motorbike on credit from GoRide		
I pay GoRide using a cheque		
I sell a tv on credit to ILuvTV		
ILuvTV pay me using cash		



# YOUR TURN....WHAT WOULD YOU DEBIT AND CREDIT?

	DEBIT	CREDIT
I purchase a motorbike on credit from GoRide	motorbike	GoRide
I pay GoRide using a cheque		
I sell a tv on credit to ILuvTV		
ILuvTV pay me using cash		

# YOUR TURN....WHAT WOULD YOU DEBIT AND CREDIT?

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I purchase a motorbike on credit from GoRide	motorbike	GoRide
I pay GoRide using a cheque	GoRide	Bank
I sell a tv on credit to ILuvTV		
ILuvTV pay me using cash		

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I pay GoRide using a cheque	GoRide	Bank
I sell a tv on credit to ILuvTV	ILuvTV	TV
ILuvTV pay me using cash	Cash	ILuvTV

# A very, very small part....

- ▶ What we have looked at during this session is a very, very small but IMPORTANT part of Accounting
- ▶ It is essentially the first place Accountants will start when they are putting together a set of accounts for their clients- they will look at ALL the transactions that have occurred over a period of time
- ▶ They will then put all of these transactions together and form a set of accounts/ Financial Statements- this will tell the client how they have financially performed over a period of time
- ▶ The role of the Accountant is then to offer advice to the client as to how they may improve in the future

# Where are they now?

- ▶ Issy Furness



# Where will A level Accounting lead?

- ▶ University- examination exemptions
- ▶ Apprenticeship- national/ local firms- proven success
- ▶ Degree apprenticeship
- ▶ University- degree ( 3 or 4 years)- opportunity to spend one year in industry or study abroad

# Where are they now?

- ▶ Amy Sampson

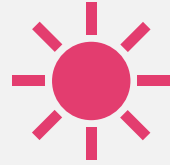
# What is required from you?

- ▶ At least a 5 in GCSE mathematics and English Language (preferably)
- ▶ Full commitment/ hardworking attitude
- ▶ Excellent attendance
- ▶ Ability to 'use' a calculator
- ▶ High expectations of yourself!!!

# Summer work

- ▶ Please access the year 11 transition work on the college website
- ▶ Please complete the Accounting transition work and bring it with you to enrolment... this will take place following the release of your GCSE results

We look forward to seeing you at enrolment to begin your studies in September...



Have a great summer



Take care of yourselves and each other



STAY SAFE