

ACCA Diploma in Financial and Management Accounting (RQF Level 3)

FA2

Maintaining Financial Records

STUDY TEXT

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INTRODUCTION

This is the new edition of the Foundations in Accountancy study text for FA2 – *Maintaining Financial Records* reviewed and approved by the ACCA.

Tailored to fully cover the syllabus, this textbook has been written specifically for Foundations level students. Clear and comprehensive style, numerous examples and highlighted key terms help you to acquire the information easily. Plenty of activities and self-test questions enable you to practise what you have learnt.

At the end of most of the chapters you will find exam style and practice questions. These will give you a very good idea of the way you will be tested.

This document references IFRS® Standards and IAS® Standards, which are authored by the International Accounting Standards Board (the Board), and published in the 2022 IFRS Standards Red Book.

SYLLABUS AND STUDY GUIDE

Position of FA2 in the overall syllabus

Within the Foundations in Accountancy syllabus there is an initial qualification of the Introductory Certificate in Financial and Management Accounting.

Completion of FA2 *Maintaining Financial Records* along with MA2 *Managing Costs and Finances* and *Foundations in Professionalism* will achieve the Intermediate Certificate in Financial and Management Accounting.

FA2 *Maintaining Financial Records* introduces the fundamental principles of accounting and develops the knowledge and understanding required to maintain accounting records. You will learn to produce accounting records, extract a trial balance and make necessary adjustments to produce an extended trial balance and basic financial statements. The syllabus covers accounting for the business transactions of sole traders and partnerships.

Detailed syllabus

| | | | |
|----------|---|----------|--|
| A | Generally accepted accounting principles and concepts Chapters 4, 5 | E | Preparing a trial balance and errors Chapter 3 |
| 1 | The key accounting principles and characteristics | 1 | Trial balance |
| 2 | Maintaining Financial Records | 2 | Correction of errors |
| 3 | The regulatory framework | F | Reconciliations Chapters 8, 9 |
| B | The principles and process of basic bookkeeping Chapters 1, 2, 3, 4 | 1 | Control account reconciliations |
| 1 | The elements of financial statements | 2 | Bank reconciliation |
| 2 | The books of prime entry and flow of accounting information in the production of financial statements | G | Extending the trial balance Chapters 14, 15, 17 |
| C | The preparation of journals and ledger accounts Chapters 1, 2 | 1 | Preparation of the extended trial balance |
| 1 | Preparation of journals from the books of prime entry | 2 | Preparation of the final accounts. |
| 2 | Preparation of ledger accounts | H | Partnerships Chapter 16 |
| D | Recording transactions and events Chapters 1, 2, 6, 7, 10, 11, 12, 13 | 1 | Partnership agreement |
| 1 | Sales and purchases | 2 | Partnership accounting records |
| 2 | Cash and bank | 3 | Partnership financial statements and change in partnership |
| 3 | Inventory | | |
| 4 | Tangible non-current assets and depreciation | | |
| 5 | Accruals and prepayments | | |
| 6 | Receivables, payables and provisions | | |
| 7 | Capital and finance costs | | |