

National School Curriculum

INSTRUCTIONAL GUIDE FOR ACCOUNTANCY

CLASS: XI-XII



Department of Curriculum and Professional Development
Ministry of Education, Royal Government of Bhutan



“Your parents, relatives, and friends would be very proud of what you have achieved. At your age, to have completed your studies is your personal accomplishment. Your knowledge and capabilities are a great asset for the nation. I congratulate you for your achievements.

Finally, your capabilities and predisposition towards hard work will invariably shape the future of Bhutan. You must work with integrity, you must keep learning, keep working hard, and you must have the audacity to dream big.”

- His Majesty Jigme Khesar Namgyel Wangchuck

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The curriculum shift entails resource draining. Developmental partners, both international and national, like UNICEF, Save the Children, World Bank, and others have been forthcoming in expanding professional and financial support towards improving the quality of education, for which the DCPD remains indebted and grateful.

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The DCPD also sincerely acknowledges the retrieval and use of contents and resources, either in part or whole, from relevant websites and other forms of sources. However, DCPD reassures that these resources are exclusively for educational learning purposes.

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Foreword

COVID-19 has suddenly caused unforgiving disruptions in the public education all over the world, and brought about threats of fragmentation due to disparities in accessibility and connectivity in many systems. In Bhutan too, continuity of education and learning has been severely affected as a result of nationwide school closures and due to restrictions and health protocols. The disruptions have led to challenges in many existing patterns and trends in education resulting in a massive shift away from learning and teaching in traditional settings.

In the new normal education, human interaction and well-being is a priority. Technology, particularly digital technology that enables communication, collaboration and learning across distance, is a formidable tool - not a panacea but a source of innovation and expanded potentials. As we embrace this exceptional opportunity to transform the world, and as we reimagine the organization of our educational institutions and learning environments, we will need to think about where we want to go.

In the post COVID 19 era, we must prioritize the development of the whole person not just academic knowledge. Inspiration for the change can be drawn from the 1996 Delors report, Learning the treasure within, in its specification of four pillars of learning as "learning to know", "to do", "to be" and to "live together". Therefore, the curricula must be increasingly perceived as an integrated and based on themes and problems that allows learners to learn to live in peace with our common humanity and our common planet. This has the potential in the development of a strong base of knowledge about one's self and about the world and find purpose and be better able to participate in social and political milieu.

The National School Curriculum is, not just a mere response to the pandemic, but also a culmination of the curriculum reform work for the last four years by the erstwhile Royal Education Council. It is an attempt to transform education from the teaching of "what" to learning of "how" and "why" towards empowering learners with the transversal competencies and the 21st century skills, and preparing them to be lifelong learners. We are optimistic that this move orients our education process towards nurturing nationally rooted and globally competent citizens.

Wish all our learners and teachers a life enriching experiential teaching and learning.

Tashi Delek

Tashi Namgay
Director

Introduction

This guide has been developed for teachers teaching Accountancy in schools across the country for the implementation of the Accountancy curriculum. As all the schools follow the same curriculum aimed at equipping the students with the same set of competencies, it is crucial for all the teachers to have the same understanding about the intent of the curriculum so that they would be able to implement it as desired.

The sample lessons given in the guide are suggestive in nature. Teachers can negotiate to adapt and design their own teaching learning activities or experiences that best suit their learners and their environment. What is non-negotiable is the teaching of the competencies that the learners must acquire at each class before they move on to the next class.

The curriculum has a wide range of knowledge, concepts and skills that the students need to master. There are those which the learners can explore, acquire and practice to master on their own, and there are also more complex ones which need to be taught explicitly and practiced consistently to gain a satisfactory level of mastery. Classroom teaching and instructional time should focus on teaching those concepts and skills that the students cannot learn on their own, while encouraging learners to explore some areas to learn and practice on their own.

The major shift in the curriculum is the teaching and development of skills by the learners. Therefore, the curriculum contents should be used as vehicles to move towards the acquisition of competencies. The competencies for each class are further broken down as objectives that should serve as signposts for teachers to decide what to teach.

Since, competencies are at the heart of curriculum and its implementation; teachers should make conscious choice of the most suitable teaching-learning approaches. And, because the teaching focuses on acquiring skills/competencies, assessment will also be on the acquisition and demonstration of the skills -skills in terms of literacy and language, social, behavioural and affective domains that are demonstrable/measurable. Teachers are asked to be consistent to meaningfully assess students and report to stakeholders at various levels. Further, the focus of assessment should be for learning rather than assessment of learning which would happen periodically.

Curriculum contents serve as the means for the delivery of education towards achieving the desired competencies at the various classes. Cross curricular linkages, various approaches and other co-curricular activities also contribute towards a systematic and comprehensive learning. In this age of advanced communication and information technology, contents are widely available from a number of sources, therefore, the contents of the curriculum have been kept

flexible enough so that teachers can select, structure and sequence them to best suit the learners' need while maintaining coherence and consistency.

While, teachers may have access to number of materials, it should be kept in mind that the teaching and learning should be focused on achieving the competencies rather than covering of the syllabus. The teaching learning materials should be used as means to create a learning environment that is competency-based where the students need to master the skills presented to them. While designing lesson plans and teaching learning activities, teachers need to ensure that the materials are relevant and appropriate for the given task.

The assessment should be competency-based wherein teacher should assess the learners' mastery of the given tasks. Teachers should use appropriate assessment tools and techniques depending on the nature of the learning activities. The learners should be clearly informed about the success criteria, the areas of assessment and the tools to be used so that they know exactly what tasks are to be performed or expected of them. In the process of the performance, the teacher should continuously provide feedback and, if necessary, modify instructions. Efforts have to be made to ensure that every learner has mastered the skills.

Purpose of the Instructional Guide

Among the many definitions of 'curriculum' this Instructional Guide underscores the meaning of curriculum as a standard and competency-based sequence of planned learning experiences where learners practise and achieve the proficiency in applying the learning experiences in real life scenarios. These proficiencies, in the curriculum framework, have been stated as "competencies" and 'objectives' for each class. In keeping with the principle, 'less is more' as stated the National School Curriculum, the contents of the curriculum have been reworked, so that learners can be engaged more in activities that can lead to the acquisition of required skills rather than having them 'cover the syllabus'.

This Instructional Guide believes that the classroom teachers, as professional individuals, can make the most authentic and reliable judgment about each learner's learning needs and the learning experiences to be provided to propel the learners in the learning continuum. With these beliefs and principles as the background, the following are the purposes of this document.

- Facilitate learners acquire required skills and competencies.
- Strengthen blended learning, including flipped classroom with multimedia, digital pedagogies and ICT devices and websites as tools to share the responsibility of learning amongst the learners, teachers, the parents and other stakeholders.
- Facilitate the use of Continuous Formative Assessment for learning using diverse appropriate assessment techniques and tools commensurate with individual differences in learning, and gather evidence to guide planning of educational programmes and activities for learners.

- Promote inclusive learning through the blended learning which facilitates learning anywhere, any time with the learner being responsible for the learning.
- Provide suggestive means of acquiring required skills by building interrelationship among, and through, the integration of the four strands of the curriculum.
- Help teachers assume the roles of facilitator, guide, motivator and evaluator.
- Guide teachers, parents and other stakeholders in helping learners achieve their potential.
- Empower teachers to design their own ‘course of study’ or ‘class curriculum’ for their students in line with the National School Curriculum Framework.
- Enhance sharing the burden, responsibility and accountability for learning amongst the stakeholders, including the learners themselves.

In this age of advanced communication and information technology, contents are widely available from a number of sources. Therefore, the teachers can select, structure and sequence the contents as required to best suit the learners’ need while maintaining coherence and consistency. In other words, while the contents of the curriculum are negotiable, the competencies and objectives are not. While, teachers may have access to number of materials, it should be kept in mind that the teaching and learning should be focused on achieving the competencies rather than ‘covering of the syllabus’. The teaching learning materials should be used as means to create a learning environment that is competency-based where the learners need to master the skills presented to them. While designing lesson plans and teaching learning activities, teachers need to ensure that the materials are relevant and appropriate for the given task.

The assessment should be competency-based wherein the teachers should assess the learners’ mastery of the skills stated as competencies and objectives for each class. Teachers should use appropriate assessment tools and techniques depending on the nature of the learning activities. The learners should be clearly informed about the success criteria, the areas of assessment and the tools to be used so that they know exactly what tasks are to be performed or expected of them. In the process of the performance, the teacher should continuously provide feedback and, if necessary, modify instructions. Efforts have to be made to ensure that every learner has mastered the skills.

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CLASS XI

1. Conceptual Framework

The objective of financial accounting is to communicate in true and fair manner the performance and the financial position of a business to a wide range of information users. Companies registered under the Companies Act of Bhutan are required to prepare a set of financial statements. Along with narrative reports such as the chairman's statement, director's report and operating and financial reviews, these financial statements must be made available to its shareholders and other stakeholders.

The chapter equips learners with basic concepts, assumptions, and standards and principles used for accounting. The chapter also introduces learners to the Bhutan Accounting Standards (BAS) which Bhutan has adopted since 2018. Therefore, the chapter is of immense importance for the learners to understand and apply the rules and standards while preparing accounts.

1.1 Roles of Accounting in a Business Organisation

Accounting involves identifying and recording of financial transactions with the intention to inform investors and other stakeholders about the financial performance and positions of the organisation. Accounting is a window through which the health of a business organisation can be ascertained and seen.

Competency

Evaluate the significance of accounting as a tool for presenting the health of an entity towards reducing unethical financial practices in the business firm.

Scope

This topic encompasses the basic concept of accounting and roles that accounting plays to inform stakeholders regarding the health of a business organisation.

Learning Objectives:

- Define accounting.
- State the roles of accounting in an organization.
- Explain the features and objectives of accounting.

Learning Experiences:

Accounting plays a critical role in the success of any business organisation. Every single business entity irrespective of size and type use finance to function and run the organisation.

Explore following links to understand the roles that the accounting plays and also learn that if the accounting is not reported correctly, the adverse effects it brings to the organisation.

- Use the link to learn [about the Enron Scandal in the USA and relate with the roles of accounting](https://www.youtube.com/watch?v=e5qC1YGRMKI): <https://www.youtube.com/watch?v=e5qC1YGRMKI>
- Access atleast annual reports of five companies and find out which company is performing better.

Question

Read Accountancy class XI textbook from page 1-12 and identify different roles the accounting plays to communicate information to the users.

- Use the link to explore about the needs for accounting, and its assumptions, and conventions.: [The Conceptual Framework for Financial Reporting - CPDbox - Making IFRS Easy](#)

Assessment and Reporting

Teacher may use checklist, rubric or Q&A for assessment.

1.2 Accounting Theory

The objective of financial accounting is to communicate in true and fair manner the performance and the financial position of the business to a wide range of information users. Companies registered under the Companies Act of Bhutan are required to prepare a set of financial statements. Along with narrative reports such as the chairman's statement, director's report and operating and financial reviews, these financial statements must be made available to its shareholders and other stakeholders.

Competency

Apply appropriate accounting assumptions and conventions in preparing financial statement to ensure common understanding to the users of accounting information.

Scope

This topic consist of rules of accounting, underlying assumptions and conventions in preparing financial statements, features and elements of financial statement.

Learning Objectives:

- State the rules of Accounting.
- Explain underlying assumptions and conventions in preparing financial statements.

- Discuss qualitative features of financial statements.
- Explain the elements of a financial statement.

Learning Experiences:

Accounting rules which is commonly known as Golden Rules of Accounting is the fundamental to accounting. All the business transactions are recorded applying the rules. Further, to ensure that the financial reports are comparable, consistent and authentic, a certain sets of principles, assumptions and working rules are being followed for preparation beside application of accounting standards.

- Use the link to learn about the theories of accounting and accounting standards <https://www.iasplus.com>.
- Visit https://www.lapasserelle.com/courses/corporate_finance/Lesson1/lesson1b.htm to learn about the accounting rules. In addition, watch the youtube <https://youtu.be/sY3ji7mJZFs>
- Read also the information from class XI Accountancy textbook page 27-43 know more about different accounting assumptions and conventions of accounting.

Questions

- After accessing information presented in the websites, youtube videos and information presented in the textbook, identify different assumptions and rules or conventions followed for the presentation of financial statements.

Assessment and Reporting

- Teacher may use rubrics, check list or paper pencil test for assessing the learning outcomes.

1.3 Recognition of the Elements of Financial Statements

Recognition is the process of incorporating in the statement of financial position or income statement an item that meets the definition of an element and satisfies the criteria for recognition. If an item meets the definition of an element but does not qualify for recognition criteria it should be disclosed as a note.

Competency

Apply definition, recognition criteria, and disclosure process to the elements of the financial statement, to maintain correct values of those elements.

Scope

This topic includes definition, recognition, measurement, presentation and disclosure of elements of financial statement; stakeholders of accounting information and Bhutan Accounting Standards.

Learning Objectives:

- Apply definition, recognition, measurement, presentation, and disclosure to elements of financial statements.
- Identify the users and stakeholders of accounting information.
- State the needs for Bhutanese Accounting Standards.

Learning Experiences:

- Discuss the definition, recognition, measurement, presentation, and disclosure criteria for all the elements of the financial Statement. Use the short video clip from <https://youtu.be/J4D7S3zq-hk>
- Also use the link (<https://accounting-simplified.com/financial/elements/assets-recognition/>) to learn more on the concepts
- Read more on the concept (<https://accounting-simplified.com/financial/elements/liability-recognition/>)
- Use the link https://aasbb.com.bt/about_ASB.php to learn the needs for Bhutanese Accounting Standards.
- Solve learning activities from the class XI textbook

Questions:

- Karma Purchase goods from a grocery store. How should the accountant record in the accounting books?
- During the lockdown Phuntsho a tenant of a house couldn't pay the January month's rent. How should the accountant of the landlord record the unpaid rent in the books of accounts.

Assessment and Reporting

- The teacher may use rubric, checklist, questions and answers or rating scale to assess the learner and accordingly provide necessary feedbacks.

- The teacher may use google forms or kahoot.com to develop quizzes and questions to assess the learning.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Enron Scandal https://www.youtube.com/watch?v=e5qC1YGRMKI	This resource is a short clip about Enron's scandal and its implications.	Roles of accounting in an organization.
2. Conceptual framework https://www.ifac.org/system/files/publications/files/CP_Conceptual_Framework_for_G_P_Financial_Reporting.pdf	This a pdf document on the conceptual framework.	It covers whole conceptual frameworks
3. Conceptual framework cpdbox.com/conceptual-framework-financial-reporting/	It gives the learners concrete authentic purpose of having a conceptual framework for preparing general purpose financial statement.	Conceptual Frame Work
4. Conceptual framework https://youtu.be/sY3ji7mJZFs	It contains the users of accounting information.	Conceptual Frame Work
5. Rules for accounting https://www.lapasserelle.com/courses/corporate_finance/Lesson1/lesson1b.htm	It contains the debit and credit rules for accounting.	Rules for accounting
6. Conceptual framework https://youtu.be/J4D7S3zq-hk	It contains on the users of accounting information with some addition to previous one.	Conceptual Frame Work
7. Elements of financial statement https://accounting-simplified.com/financial/elements/assets-recognition/	This link contains definitions, recognition, and examples of different elements of financial statements.	Process for booking 5 elements of financial statement
8. Accounting and Auditing Standard Board of Bhutan https://aasbb.com.bt/about_ASB.php https://www.iasplus.com/en/standards/ias/ias16	This link may be used to teaching and learning the need for Bhutanese Accounting Standards.	Need for Bhutanese Accounting Standards

2. Accounting Equation

Accounting follows the principles of double entry system where debits are equal to credits or the assets of the firm is equal to the liabilities at any point of time. This occurs due to balancing of accounting equation which forms the basis for preparing all kinds of financial statements. This chapter will help learners in understanding the effects of various business transactions on the accounting equation.

Competency

Use the concept of accounting equation for preparing financial statements, and understand the significance of balancing assets and liabilities in the statement of financial position.

Scope

This topic includes identification of items of assets, liabilities and capitals, and their effects on accounting equation.

Learning Objectives:

- Explain Accounting Equation

- Identify accounts involved in a transaction and show the effects in the accounting equation
- Apply accounting equation to prepare financial statements
- Prepare accounting equation using a spreadsheet

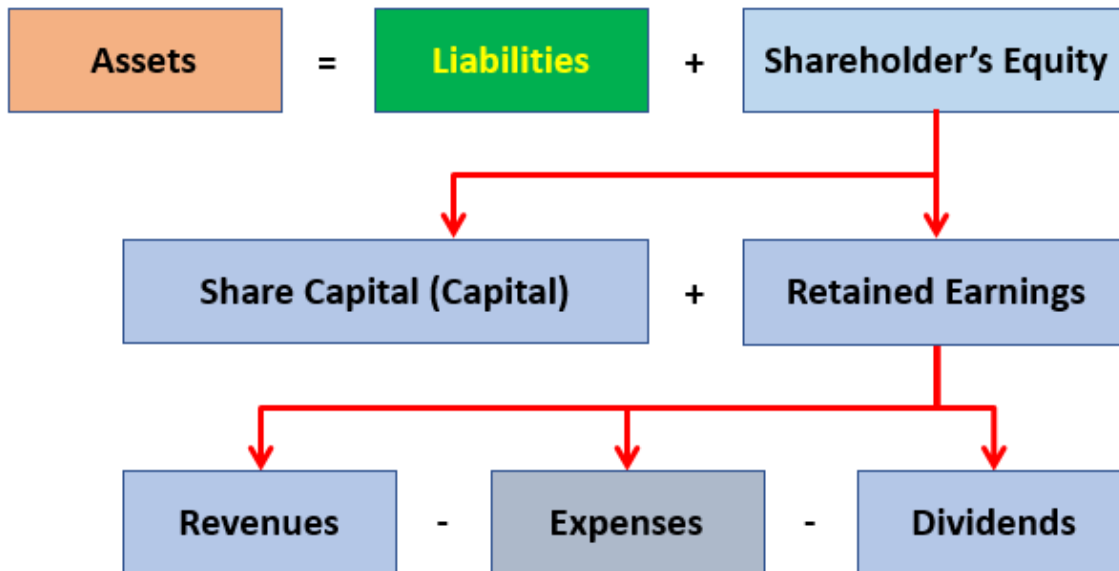
Learning Experiences:

If a business firm purchases an asset by paying cash, there will be reduction of cash by the amount of that asset and at the same time increase in asset equal to the monetary value of that asset. The effect of accounting equation is plus (+) in asset as well as minus (-) in asset. The accounting equation remains balanced. Similarly, learners get to know numerous business transactions and learn how they affect the accounting equation and learn deeper concepts of accounting.

- Explain the Accounting Equation with examples of each element of the financial statement from class XI textbook.
- Use the website <https://courses.lumenlearning.com/vccs-acc211-17sp/chapter/the-basic-accounting-equation/> to learn the concepts of Accounting Equation.
- Use this link <https://www.accountingcoach.com/accounting-equation/explanation> to explore more understanding on accounting equation.
- Use the following format to prepare accounting equation:

Assets	=	Liabilities	+	Owners' Equity
economic resource owned by an entity		creditors' claim on assets		owners' claim on assets
Assets	=	Liabilities	+	Share capital + Retained Earnings
Assets =		Liabilities	+	Share Capital + Dividends + Revenue - Expenses
				<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Income</div>

Expanded Accounting Equation



- Use the following links to understand more information on accounting equation:
- https://www.lapasserelle.com/courses/corporate_finance/Lesson1/lesson1b.htm
- Understand that the accounting equation is the basis for preparing all other financial statements. Spreadsheet may be used by the teacher to record and link to prepare the income statement, position statement, changes in owners' equity, and cash flow statement.
- <https://www.futureaccountant.com/accounting-process/problems-solutions/fundamental-accounting-equation.php#.YI1u1bUzbIU> practice questions from the site on accounting equation.

Questions

- Sangay wants to start a business after retirement from the job. He borrowed Nu. 500,000 from Bank of Bhutan in addition to Nu. 200,000 which he received as pension benefits. His other transactions are as follows and show the effects on accounting equation.
 - Purchased a second-hand bolero worth Nu. 250,000
 - Trade license fee Nu. 2000
 - Hired a shop space in Thimphu Nu. 300,000
 - Purchased goods worth Nu. 600,000 and sold for Nu. 800,000

Assessment and Reporting

Use assessment tools such as rubrics, questions and answers and check list to assess the learning outcome of the lessons. Adequate and timely feedback must be provided to help learning.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Accounting Equation https://efinancemanagement.com/financial-accounting/fundamental-accounting-equation	The resource provides a detailed process of application of accounting equation	Accounting Equation.
2. Purpose of Financial Statement https://courses.lumenlearning.com/vccs-acc211-17sp/chapter/the-basic-accounting-equation/	Resource for preparing accounting equation with suitable examples	Applying accounting Equation.
3. Accounting equation • https://www.accountingcoach.com/accounting-equation/explanation	Resources on practicing accounting equation.	Accounting equation solution
4. Accounting equation for self-learning https://www.lapasserelle.com/courses/corporate_finance/Lesson1/lesson1b.htm	Varieties of problems can be accessed from this site for enhancing knowledge on the accounting equation.	Accounting Equation
5. Accounting equation problem • https://www.futureaccountant.com/accounting-process/problems-solutions/fundamental-accounting-equation.php#.YI1u1bUzbIU	On this site, learners can practice various types of transactions and helps learners explore more high-order thinking questions.	Accounting Equation

3. Journal, Ledger and Trial Balance

When a business transaction is undertaken to record for accounting purpose, it must be measurable in terms of money. Then the transaction is recorded in a book called journal applying the rules of double entry. As the business undertakes numerous transactions in a year, business cannot maintain account for every transaction, therefore, the transactions with similar accounts are grouped under one account head. To ensure that the transaction are posted correctly in the ledger, a trial balance is prepared. Based on information presented in the trial balance, the financial statements for the business are prepared. Hence, this chapter provides learning experiences on how to prepare journal, ledger and trial balance in accounting.

Competency

Analyse the business transactions, journalise, post them in the ledger accounts and prepare trial balance, and ensure proper accounts of all the business transactions.

Scope

This topic includes sources documents, rules of accounting,; preparation of journal, ledger and trails balance

Learning Objectives:

- Explain the importance of source documents in accounting.
- Prepare vouchers.
- Apply debit and credit rules to journalize transactions, post them in the Ledger. accounts and prepare a trial balance.
- Journalise accrual transactions.
- Prepare journal, ledger, and trial balance using a spreadsheet.

Learning Experiences:

Vouchers or the source documents are used by accountant to authenticate occurrence of business transactions. To record transactions in journal, rules of accounting are applied. For instance, if a business purchases goods on cash, two accounts are affected, that are debit purchase account (nominal) and credit cash account (real). When it is posted in the ledger, two accounts are prepared that are purchase account and cash account. Similarly, other accounts which involve purchase account and cash account are also recorded under the same accounts. At the end of the year, the accounts are closed and the balances are transferred to next accounting year. The balances of the accounts are used for preparing trial balance to check the correctness of the accounts. Therefore, this chapter provides learning experiences on the whole process of preparing books of accounts.

- To learn the concepts of the source documents in accounting (refer Accountancy for XI, page 68-69 2019 print) and also refer the link:
<https://www.youtube.com/watch?v=fpGr6s9kgmg> to learn more.
- To learn different types of voucher, explore the link:
<https://www.youtube.com/watch?v=UiERDrGIuWI>
- Explain both modern and traditional rules to classify account head to pass journal entry, or visit link: <https://www.youtube.com/watch?v=NP99QtgkiOO>, to learn different techniques of classifying account heads with application of rules for passing journal entries.
- Use information given in the textbook to learn special journal entries, types of subsidiary books, control accounts, opening and closing entries.
- Explore different ways and formats of preparing ledger accounts. watch <https://www.youtube.com/watch?v=bcNh3L786Ek> and learn different techniques to post transactions for journal entry to different ledger accounts.
- Explore different types of ledger accounts and its need from
<https://www.youtube.com/watch?v=jHkovAqOY7E>
- Explore different ways of closing the ledger accounts and understand the appropriate financial statements to which the balances of ledger account is taken or recorded.
- Identify and locate different possible errors that might occur while posting transactions from journal entries to different ledger accounts and understand the techniques to locate those errors.
- Prepare a ledger in a spreadsheet by using functions and formulae. Get help from
<https://www.youtube.com/watch?v=dbJTxXa6zRw> to use ICT skills and knowledge in preparing automated/ semi-automated ledger or 'T' accounts.
- Refer textbook for concepts and purpose of preparing trial balance. Get help from the following link:
- <https://www.youtube.com/watch?v=CrfZm0M9b7g>

- Learn how to prepare adjusted trial balance from an unadjusted trial balance. Get help from the video clips: <https://www.youtube.com/watch?v=HYrH99B94vA>
- Explore various errors in trial balance from <https://www.youtube.com/watch?v=ZkzohK-UEPQ>
- Methods of rectification of errors in trial balance from <https://www.youtube.com/watch?v=nxd3TebvreQ&t=4s>
- <https://www.youtube.com/watch?v=UT64kBUnnVk&t=48s> also contains videos on rectification of errors.

Questions:

- **Provide type of account involved in the following transactions:**
 - Purchased goods
 - Rent paid
 - Purchased a car through loan
 - Salary outstanding for one month
 - Rent paid in advance
- Pema took a loan from BoB to purchase a car. Journalise the transaction and post it in the ledger.

Assessment and Reporting

Use assessment tools such as rubrics, checklist, question and answer, paper pencil test for assessing the learning progress.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Source documents https://www.youtube.com/watch?v=fpGr6s9kgmg	The resource contains is on source documents in accounting. It is a short clip.	Source documents in accounting.
2. Vouchers https://www.youtube.com/watch?v=UjERDrGIuWI	Types of vouchers and methods of preparing are the content in this resource.	Vouchers and preparing vouchers.
3. Rules for debit and credit https://www.youtube.com/watch?v=Np99QtgkiOQ	How to prepare journal entry. Rules for debit and credit.	Rules for accounting (Journal entry)

<p>4. Posting from journal to ledger accounts</p> <ul style="list-style-type: none"> • https://www.youtube.com/watch?v=bcNh3L786Ek • https://www.youtube.com/watch?v=jHkovAqOY7E 	<p>This resource is a lesson on posting from journal to ledger accounts and closing of ledger accounts.</p> <p>It contains varieties of ledger accounts</p>	<p>Ledger Accounts</p> <p>Ledger Accounts</p>
<p>5. Using a spreadsheet to prepare journal and ledger</p> <p>https://www.youtube.com/watch?v=dbJTxXa6zRw</p>	<p>It is a video about using a spreadsheet to prepare a journal and ledger using a spreadsheet</p>	<p>Journal and ledger combined</p>
<p>6. Common size statement</p> <p>https://www.youtube.com/watch?v=CrfZm0M9b7g</p>	<p>Different methods of posting</p>	<p>Posting from journal to the ledger and trial balance</p>
<p>7. Preparing trial balance</p> <ul style="list-style-type: none"> • https://www.youtube.com/watch?v=HYrH99B94vA • https://www.youtube.com/watch?v=ZkzohK-UEPQ • https://www.youtube.com/watch?v=nxd3TebvreQ&t=4s • https://www.youtube.com/watch?v=UT64kBUnnVk&t=48s 	<p>Steps in preparing a trial balance.</p> <p>Varieties of errors in the trial balance.</p> <p>Various ways of rectifying errors</p>	<p>Trial balance</p> <p>Errors in Trial Balance</p> <p>Rectification of errors.</p>

4. Cash Book

Any transactions involving cash are entered in the cash book. There are different types of cash books maintained by the businesses depending on the nature of cash transactions such as single column, double column, triple column and petty cash book.

Competency

Prepare cash book of a business firm, compare cash book balance with the bank statement (bank account), reconcile the balances by preparing bank reconciliation statement if they are different and ensure that every cash transaction is accounted correctly in the cash book.

Scope

This topic consists of bank statement, cashbooks and preparation of bank reconciliation statement

Learning Objectives:

- Explain the nature and importance of cash.
- Explain the importance of cash control in the business.

- Categorize cash book into a single column, double column and petty cash book.
- Prepare single column, double column and petty cash book.
- Prepare cashbooks using a spreadsheet.

Learning Experiences:

If a business sells goods, it can be cash sales or credit sales. If it is cash sales, it will be directly entered in the cash book else it will be entered in the sales book until the cash is obtained from the customer. Similarly for the purchase of goods, cash purchases will be entered in the cash book and credit purchases will be maintained in the purchase book. There are numerous transactions a business firm would undertake which can be on cash or credit. Through various online and offline resources, learners are provided with learning experience to prepare different cash books of a business firm.

- Define and explain the nature and importance of cash concepts (refer to class Accountancy textbook page 145-146)
- Explain cash control system, meaning and needs for cash book, features and types of cash book. (refer to class Accountancy textbook page 146-149)
- Learners may use the link: https://www.youtube.com/watch?v=VIGV7axz_u8 (contains video regarding the preparation of simple cash book)
- Learners may be assigned a task from class XI Accountancy for XI, page 149-152, and let at least one learner from each ability present to the class.
- Let learners explore the preparation of petty cash book from <https://www.youtube.com/watch?v=PVDte0HQD8>
<https://www.youtube.com/watch?v=BFaryNnSx5E>
https://www.youtube.com/watch?v=PmsLGuWoAdQ&list=RDQMLfhyWOYtOCs&start_radio=1
- Project-based work; the teacher may give a small project to different groups to prepare different types of cash books. Let learners present it in electronic forms (spreadsheet presentation or ppt.)
- Explore the ways to prepare it from <https://www.youtube.com/watch?v=5ZqzLPMplvA>; it is a video lesson on preparing a cash book in a spreadsheet by applying ICT skills and knowledge like VLOOKUP and referencing etc.
- To check understanding of the learners, individually let learners solve extended activity 1 to 6 from class Accountancy textbook, page 163 – 168)

Questions

Sonam Tshongkhang purchased goods worth Nu. 200,000 from a dealer by paying 30% cash and balance to be paid at the end of the month. The business is given 2% trade discount and 3% cash discount. Calculate the amount to be recorded in the cash book.

Assessment and Reporting

Assessment tools such as checklist, rubrics, anecdotal record and paper pencil test suggested to use to check the learning progress.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
1. Simple cash book https://www.youtube.com/watch?v=VIGV7axz_u8	The resource provides a video on preparing a simple cash book.	Simple Cashbook.
2. Double column cash book https://www.youtube.com/watch?v=eqoqC2CK19k	The resource shows the ways to prepare a double-column cash book.	Double column cash book.
3. Varieties of cash book <ul style="list-style-type: none"> https://www.youtube.com/watch?v=PVJDte0HQD8 https://www.youtube.com/watch?v=BFARYnnSx5E https://www.youtube.com/watch?v=PmsLGuWoAdQ&list=RDQMLfhyWOYtOCs&start_radio=1 	The resources provide viewers various means of preparing petty cash books. It also contains a lesson on preparing cash books using a spreadsheet.	Petty cash book.
4. Spreadsheet and cash book <ul style="list-style-type: none"> https://www.youtube.com/watch?v=5ZqzIPMplvA; 	The resources provide a clear understanding of applying ICT skills and knowledge to prepare cash books.	Varieties of cash book.

5. Bank Reconciliation Statement

BRS is a statement prepared by the bank to check the correctness of cash book and pass book (bank statement). Due to time lag, some of the transactions which are entered in the cash book may not be entered in the bank account and vice versa.

Competency

Prepare cash book of a business firm, compare cash book balance with the bank statement (bank account), reconcile the balances by preparing bank reconciliation statement if they are different and ensure that every cash transaction is accounted correctly in the cash book.

Scope

This topic includes the preparation of bank reconciliation statement from favourable cash and bank balances.

Learning Objectives:

- Explain the meaning, features and objectives of BRS.
- Compare and contrast BRS and Bank statement.
- Discuss the causes of differences in Cash Book and Bank Statement Balance.
- Prepare a Bank Reconciliation Statement using Cash Book and Bank statement. based on favourable balance.

Learning Experiences:

When a business firm issues a cheque for payment, the firm's finance officer or accountant immediately deducts the amount in the cash book. However, the recipient of the cheque may not present check immediately to the bank for payment as cheque has validity generally of 30 days. During such period, the bank statement and cash book show different balances. Similarly, there can be many such transactions which lead to disagreement of balances between bank and cash book. This chapter provides basic experiences of preparing BRS.

- Learn the concept of Bank Reconciliation Statement from the class XI textbook.
- Design an activity that contains A: transactions recorded by the bank only, B: transactions recorded by the customers only and C: Errors committed.
- Let the learners explore how these transactions affect the bank statement and cash book. Let the learners do Mind-mapping from the above activity.
- Use the video: https://www.youtube.com/watch?v=H3B_K4adokE to explore the causes of difference between cash book and bank statement/passbook. This resource can also help learners prepare BRS in a spreadsheet.

- The teacher may design a quick assessment item like a quiz in google forms, menti.com or kahoot.com to assess the understanding of the learners at this point.
- The teacher may show the video on preparing BRS from the following link.
 - <https://www.youtube.com/watch?v=zhmO3DM3YiY>
 - <https://www.youtube.com/watch?v=qknxJkQLiYE>

Question

Solve exercises from class XI textbook page 180-186

Assessment and Reporting

Teaching and learning strategies such as paper-pencil test, exhibition, ppt presentation, checklist or rubrics or any other relevant tools can be used for assessing learning progress.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Theory on BRS https://www.youtube.com/watch?v=H3B_K4adokE	Meaning, needs, objectives of BRS	BRS theory
2. Causes of difference https://www.youtube.com/watch?v=zhmO3DM3YiY	How there is a difference in the cash book and bank statement	BRS
3. Preparing BRS https://www.youtube.com/watch?v=qknxJkQLiYE	Preparing BRS in Microsoft excel.	Preparing BRS

6. Accounting for Property, Plant and Equipment

Property, Plant and Equipment (PPE) are the non-current assets (fixed assets) held by the business firm such as machineries, factories, buildings and vehicle which are used in the production process or availing services. These assets depreciate or value gets reduced over a period of time. How to determine such values and present it in the financial statements?

Competencies:

- Identify, recognize, present and disclose PP&E under the BAS 16 and present it in the financial statement.
- Apply the depreciation rates of the company and competent agency to determine correct carrying values of PP&E and present it in the financial statement.

Scope

This topic includes definition, recognition, measurement, presentation and disclosure of PP & E.

Learning Objectives:

- Explain the meaning, recognition criteria and measurement of PP&E.
- Explain the reasons for the depreciation.
- Calculate depreciation.
- Use a spreadsheet to prepare depreciation schedule and PP&E accounts.
- Generate graphical or pictorial presentation of PP&E and depreciation.

Learning experiences:

Some of the assets value get depreciated when it is used in the production process as well as expires with lapse of time. At the same time, calculated value of assets in the books may not agree with the values existed in the market. Thus, impairment test is necessary. Learners are provided with the learning experience of determining correct value of assets in the market.

- Using the link: [IFRS - IAS 16 Property, Plant and Equipment](#) discuss the meaning, recognition criteria and measurement of PP&E.
- Take the learners outside the classroom to identify the item of PP&E as per the Accounting standard and ask them to share their findings.
- Introduce Finance cost/borrowing cost (refer to Accountancy for XI, page 188-189) also use the link: [IAS 23 — Borrowing Costs \(iasplus.com\)](#) for comprehensive information.

- Use the link: [Borrowing costs - specific borrowings example - ACCA Financial Reporting \(FR\) - YouTube](#) learn the examples of borrowing costs .
- Demonstrate the use of measurement criteria of Property, Plant and Equipment (refer to class XI Accountancy textbook, page 189) or may use the link: [Property Plant and Equipment | Initial Measurement | Capitalized Cost | PPE Lec 1 - YouTube](#) for a video explaining initial measurement of Property, Plant and Equipment.
- Use the following links to learn the purpose of depreciation and need for charging the depreciation:
 - [Depreciation Explained | PPE note | FAC 1502 | with a question and disclosure - YouTube](#)
 - [IAS 16 — Property, Plant and Equipment \(iasplus.com\)](#)
 - [Depreciation and Causes of Depreciation: Definition & Solved Example \(toppr.com\)](#)
- To learn the formula, calculation of carrying amount and preparation of depreciation schedule for Straight-Line Method (SLM) and Written Down Value Method (WDV) methods for calculating the depreciation for Property, Plant and Equipment. (refer class XI Accountancy textbook, page 194-197).
- Refer textbook for calculating depreciation using Straight-Line Method and Written Down Value Method (suggested question 1,2,3).
- For more practice questions:
 - Use the web link: [Cost model on PPE video - YouTube](#) (contains a video regarding questions and solutions on initial measurement/cost model of Property, Plant and Equipment).
 - Use the web link: [Depreciation Methods – Accounting Questions and Answers \(accountinginfo.com\)](#) and [Depreciation Problems and Solutions | Accountancy Knowledge](#) (some question and answer on Straight-Line Method of Depreciation).
- Use of a spreadsheet to prepare depreciation schedules and PP&E accounts. Use the following links as a guide for preparing a depreciation schedule:
 - [spreadsheet to prepare depreciation schedule - YouTube](#)
 - [How to prepare Depreciation Schedule by using Diminishing Balance Method @My eSheet - YouTube](#)
- To learn graphical or pictorial representation of the depreciation schedule and PP&E in a spreadsheet. Use the following link:
 - [MS Excel - Pie, Bar, Column & Line Chart - YouTube](#)

Question

A business firm is using their own building for the business purpose. Can it be account as PPE?

Assessment and Reporting

Teaching and learning strategies such as paper-pencil test, exhibition, ppt presentation, checklist or rubrics or any other relevant tools can be used for assessing learning progress.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Property, plant and equipment IFRS - IAS 16 Property, Plant and Equipment	The resource provides materials for the comprehensive concept of Property, plant and equipment.	Concept of Property, plant and equipment.
2. Capital or Revenue items Quiz 55: Capital or Revenue Expenditure Quiz Double Entry Bookkeeping (double-entry-bookkeeping.com)	The resource provides an online quiz link for capital or revenue expenditures.	Identifying capital and revenue items.
3. Borrowing cost <ul style="list-style-type: none"> IAS 23 — Borrowing Costs (iasplus.com) Borrowing costs - specific borrowings example - ACCA Financial Reporting (FR) - YouTube 	The resources provide video and learning material on the concept of borrowing cost.	Understanding the concept of borrowing cost.
4. Measurement of Property, plant and equipment Property Plant and Equipment Initial Measurement Capitalized Cost PPE Lec 1 - YouTube	The resource provides a video link for the measurement of property, plant and equipment.	Understanding the measurement of property, plant and equipment.
5. Depreciation of property, plant and equipment <ul style="list-style-type: none"> Depreciation Explained PPE note FAC 1502 with a question and disclosure - YouTube IAS 16 — Property, Plant and Equipment (iasplus.com) Depreciation and Causes of Depreciation: Definition & Solved Example (toppr.com) Cost model on PPE video - YouTube 	➤ The resources provide both video and learning materials for the depreciation of property, plant and equipment.	Concept of depreciation of property, plant and equipment.

<ul style="list-style-type: none"> • Depreciation Methods – Accounting Questions and Answers (accountinginfo.com) • Depreciation Problems and Solutions Accountancy Knowledge 		
6. Spreadsheet to prepare depreciation of property, plant and equipment <ul style="list-style-type: none"> • spreadsheet to prepare depreciation schedule - YouTube • How to prepare Depreciation Schedule by using Diminishing Balance Method @My eSheet - YouTube • MS Excel - Pie, Bar, Column & Line Chart - YouTube 	➤ The resources provide videos for preparation of depreciation of property, plant and equipment using a spreadsheet.	Preparation of depreciation schedule and graphical presentation of depreciation on a spreadsheet.

7. Financial Statements

Financial statements are prepared at the end of accounting year for the purpose of presentation to the users and stakeholders. However, of late companies in some countries are required to present quarterly or biannually. Main components of financial statements are the income statement, cash flows, statement of financial position, and notes. Financial statements are main documents through which stakeholders know about the company and make investment decisions. Therefore, it is critical that information presented in the financial statement are true and understandable to the users.

Competencies

- Prepare adjusted trial balance by adjusting accruals, deferrals and depreciations, and ensure the accuracy of the trial balance.
- Prepare a set of financial statements including income statement, statement of financial position, cash flows and notes to the statements of a reporting entity to present financial health of the reporting firm to the users of accounting information.

Scope

The topic includes preparation of financial statements- income statement and statement of financial position for sole proprietorship business.

Learning Objectives:

- Explain the nature of revenue and capital expenditure
- Explain the concept and features of financial statements
- Identify various elements of financial elements
- Prepare a set of financial statements including income statement, statement of financial position, statement of changes in equity and notes with some basic adjustments
- Prepare financial statements in a spreadsheet using referencing and functions

Learning Experiences:

Information from the adjusted trial balance are used for preparing the financial statements. The requirements of financial statement are given in BAS 1. Use the weblinks given to access more information on the purpose and process of preparing the financial statement.

- To learn the concept of Financial Statements (refer to class XI Accountancy textbook, page 226 to 227) and refer the link for more information: [IAS 1 - Presentation of Financial Statements \(detailed review\) \(readyratios.com\)](#) (contains objective, scope and definition of Financial Statements).
- To learn the purpose of Financial Statements, refer to class XI Accountancy, page 227.
 - [The purpose of financial statements — Accounting Tools](#)
 - [IAS 1 Presentation of Financial Statements: Summary - CPDbox - Making IFRS Easy](#)
- Group work can be given to learners to explore the characteristics of good financial statements and come up with a PowerPoint presentation. Following websites and youtube videos can be used as resources:
 - [Knowing the Characteristics of IFRS Statements - dummies](#)
 - [Qualitative characteristics - ACCA Financial Reporting \(FR\) - YouTube](#)
 - [The Qualitative Characteristics of Useful Information 2010 - YouTube](#)
- Elucidate the meaning and differences between capital and revenue expenditures, and capital and revenue receipts. Using the link: [Quiz 55: Capital or Revenue Expenditure Quiz | Double Entry Bookkeeping \(double-entry-bookkeeping.com\)](#) online quiz can be organized to test the learner's knowledge on revenue and capital items.
- Solve case study 1 and present their solution to the class (refer to class XI Accountancy page 233 - 234).

- Use the video to learn the income statement [The INCOME STATEMENT Explained \(Profit & Loss / P&L\) - YouTube](#)
- Learn various items of income and expenses appearing under the Income Statement.
- Learn different methods of preparing income statements: [Income Statement \(By Nature Vs By Function\) \(enstoncorp.com.sg\)](#) to supplement the textbook.
- Prepare the Income Statement by referring to the case study (question 1) from page no.237
- Learn steps to prepare Income Statement, refer to the link: [Single Step Income Statement - YouTube](#).
- Video explaining Statement of Financial Position: [Introduction to the Statement of Financial Position - YouTube](#). Explain all the items of the Statement of Financial Position.
- Demonstrate to prepare Statement of Financial Position from the link: [Statements of Financial Position \(Balance Sheets\) explained in about 10 mins - YouTube](#)
- Prepare and allow learners to prepare Statement of Financial Position from the link: [Example Problem Statement of Financial Position - YouTube](#)
- Provide the link: [Statement of CHANGE IN EQUITY basic tutorials in 2021 - YouTube](#) (contains a video explaining Statement of Changes in Equity) and also refer video link: [FA6 - Preparing the Statement of Changes in Equity - YouTube](#)
- Learn how to prepare Statement of Financial Position from the link: [FA6 - Preparing the Statement of Changes in Equity - YouTube](#)
- Use video link containing explanation on Cash Flow Statement : [Cash Flow Statement Basics Explained - YouTube](#)
- Explain all the items of the Cash Flow Statement and demonstrate the preparation of Cash Flow Statement from the link: [Microsoft Word - EXERCISES LESSON 7_0809 SOLUCIONADOS.doc \(us.es\)](#) and also use the link to prepare Cash Flow Statement: [Microsoft Word - EXERCISES LESSON 7_0809 SOLUCIONADOS.doc \(us.es\)](#)
- Explain the purpose of Notes in financial statements and demonstrate the preparation of Notes to Financial Statements from the link: [Notes To FS - YouTube](#)
- Explain the concept of Financial Statements with adjustments (refer to class XI Accountancy , page 247-257).
- Demonstrate to prepare a set of Financial Statements including Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes with some basic adjustments (refer to Accountancy for XI, Illustration 5, page 257-262).
- Design learner's activity using activity-based learning. Divide learners into groups (depending upon the classroom size) and let them solve Exercise 1(refer class XI

Accountancy, page 265-266). Guide learners while preparing the financial statements. Learners will present their work to the class.

- Allow learners to practice a question on Financial Statement (refer to class XI Accountancy textbook, question 7, page 277-278).
- Prepare financial statements in a spreadsheet using Referencing and Functions.
- Use the following tutorial link:
 - [Tutorial: Using Excel to Prepare Financial Statements - YouTube](#)
- Following the teacher's presentation, the learners perform work independently and present their work.
- Timely feedback is necessary for effective teaching-learning processes

Assessment and Reporting

Some of the suggested assessment tools are checklist, rubrics, online quiz using google form/Mentimeter or any other relevant sites, and Q&A to assess the learning progress of the learners.

1. Resources:

Title & URL Resources	Description of Resource	Core Concepts
5. Financial Statement IAS 1 - Presentation of Financial Statements (detailed review) (readyratios.com)	The resource provides the learning objective, scope and definition of the Financial Statement.	Concept and features of financial statement.
6. Purpose of Financial Statement <ul style="list-style-type: none"> • The purpose of financial statements — Accounting Tools • IAS 1 Presentation of Financial Statements: Summary - CPDbox - Making IFRS Easy 	The resources provide learning the purpose of a Financial Statement.	Understanding the purpose of a Financial Statement.
7. Features of Financial Statement <ul style="list-style-type: none"> • Knowing the Characteristics of IFRS Statements - dummies • Qualitative characteristics - ACCA Financial Reporting (FR) - YouTube 	The resources consist of both notes and video clips on the features or characteristics of a good financial statement.	Concept of good characteristics of Financial Statement.

<ul style="list-style-type: none"> • The Qualitative Characteristics of Useful Information 2010 - YouTube 		
8. Capital and Revenue Item Quiz 55: Capital or Revenue Expenditure Quiz Double Entry Bookkeeping (double-entry-bookkeeping.com)	The resource provides a link for a quiz on capital and revenue expenditure.	Concept of capital and revenue items
9. Income Statement- Concept <ul style="list-style-type: none"> • The INCOME STATEMENT Explained (Profit & Loss / P&L) - YouTube • Income Statement (By Nature Vs By Function) (enstoncorp.com.sg) • Single Step Income Statement - YouTube. 	<ul style="list-style-type: none"> ➤ The resource provides a comprehensive audio-visual concept of the Income Statement. ➤ It also consists of practice questions for learners on Income Statement. 	Concept of Income Statement (both by nature and by function method)
10. Statement of Financial Position <ul style="list-style-type: none"> • Introduction to the Statement of Financial Position - YouTube • Statements of Financial Position (Balance Sheets) explained in about 10 mins - YouTube • Example Problem Statement of Financial Position - YouTube 	<ul style="list-style-type: none"> ➤ The resource provides a comprehensive audio-visual concept of Financial Position. ➤ It also consists of practice questions for learners on Statement of Financial Position. 	Concept of Statement of Financial Position
2. Statement of Changes in Equity <ul style="list-style-type: none"> • Statement of CHANGE IN EQUITY basic tutorials in 2021 - YouTube • : FA6 - Preparing the Statement of Changes in Equity - YouTube 	<ul style="list-style-type: none"> ➤ The resource provides a comprehensive audio-visual concept of Statements of changes in equity. ➤ It also consists of practice questions for learners on Statement of Changes in Equity. 	Concept of Statement of Changes in Equity
3. Statement of Cash Flow <ul style="list-style-type: none"> • Cash Flow Statement Basics Explained - YouTube 	<ul style="list-style-type: none"> ➤ The resource provides a comprehensive audio-visual 	Concept of Statement of Cash Flow

<ul style="list-style-type: none"> • Microsoft Word - EXERCISES LESSON 7 0809 SOLUCION ADOS.doc (us.es) • Microsoft Word - EXERCISES LESSON 7 0809 SOLUCION ADOS.doc (us.es) 	<p>concept of Statement of Cash Flow.</p> <p>➤ It also consists of practice questions for learners on Statement of Cash Flow.</p>	
<p>4. Notes to Financial Statement</p> <p>Notes To FS - YouTube</p>	<p>➤ The resource provides a comprehensive audio-visual concept of Statement of Cash Flow.</p>	<p>Concept of Notes to Financial Statement</p>
<p>5. Spreadsheet to prepare Financial Statement</p> <p>Tutorial: Using Excel to Prepare Financial Statements - YouTube</p>	<p>➤ The resource provides an audio-visual concept for preparing financial statements using a spreadsheet.</p>	<p>Familiarization with the use of spreadsheet in preparing Financial Statement</p>

8. Cost Sheet

Components of cost sheet consist of prime cost, factory cost, office and administration overhead cost and marketing and selling overhead cost. These costs are put together to determine per unit cost of a product or service based on which selling price is arrived. Therefore, the knowledge on the cost sheet is necessary to take the pricing decision of the business.

Competency

Perform cost analysis and prepare a cost sheet of a business firm to know various cost involved in the production process to ensure correct pricing of a product or service.

Scope

This topic includes component of costs, determination of per unit cost of each components and preparation of cost sheet.

Learning Objectives:

- Explain the meaning of cost and cost accounting.
- State the objectives of cost accounting.
- Classify the elements of cost-material cost, labor cost and overheads.
- Prepare cost sheet.
- Draw relationship between cost sheet and financial accounting.

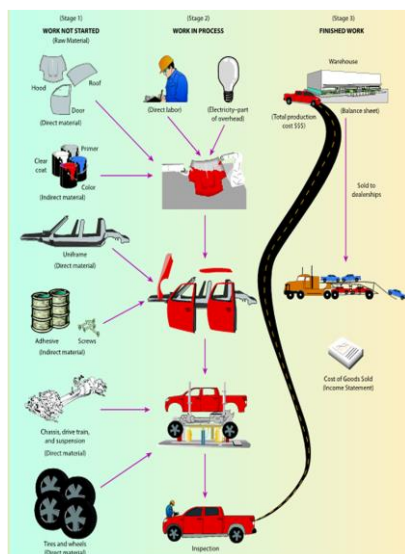
Learning Experiences:

When a business is able to account cost very efficiently, it helps in efficient use of resources which ultimately results profit for the business. This chapter provides learning experiences on understanding different cost and cost components and skills in preparation of cost sheet.

- Define and explain cost concepts (refer to Accountancy textbook XI, page 254)
- The teacher may use the link: [What is COST ACCOUNTING? What does COST ACCOUNTING mean? COST ACCOUNTING meaning & explanation - YouTube](#) (contains video regarding meaning and explanation of cost accounting)
- In groups, learners discuss the objectives of cost accounting. Learners write findings on the chart and do the Gallery Walk.
- Learners may use the link: [Objectives of Cost Accounting \(accountingnotes.net\)](#)
- Allow the learners to solve the practical problem independently and few learners may present their work (refer to Accountancy textbook for XI, page 254).
- Divide learners into six groups and discuss the elements of cost – direct and indirect materials, direct and indirect labor, and direct and indirect expenses. The teacher will

guide the learners. Each member of the group will present their work. (refer Accountancy for XI, page 255 – 258)

- Learners may use the following links:
 - [Elements of Cost in Cost Accounting \(economicsdiscussion.net\)](http://economicsdiscussion.net)
 - [elements of cost - YouTube](#)
- Use the following figure to explain the stages of production:



- To learn the concept and purpose of the cost sheet (refer to Accountancy textbook XI, page 260)
- Use the following link to explain the concept and purpose of the cost sheet:
 - [Concept of Cost Sheet - YouTube](#)
 - [Cost Sheet: Meaning, Format, Examples, Problems, Elements, Specimen, Proforma and Advantages \(economicsdiscussion.net\)](#)
- Use the following figure to explain the components of cost:

Direct Material	Direct Labour	Direct Expenses	=Prime Cost	
Prime Cost		Factory Overhead	=Factory Cost	
Factory Cost		Admin Overhead	=Cost of production	
Cost of production		Sell. & Dis. Overhead	=Total cost or COGS	

- Demonstrate the use of cost sheet format to prepare cost sheet (refer to class XI Accountancy textbook, illustration 1, page 262 -263)
- Solve extended activity of illustration 1 and case study (refer to class XI Accountancy textbook page 263 – 265) for practical exercises

- Learn the treatment of inventory and scrap, and demonstrates the preparation of cost sheet including inventory (refer to class XI Accountancy textbook, illustration 2, page 267 – 269)
- Use the following figure to explain the items excluded from the cost:

ITEMS EXCLUDED FROM COST	
The following items are of financial nature. They are not included in cost sheet:	
a.	Cash discount
b.	Transfer to reserves
c.	Interest paid
d.	Donations
e.	Preliminary expenses written off
f.	Income-tax paid
g.	Dividend paid
h.	Provision for taxation
i.	Profit / loss on sale of fixed assets

- For more questions refer the link: [\[#2\]Cost sheet with Inventories \[Comprehensive Problem\] Cost Sheet tutorial by:- Kauserwise - YouTube](#) (contains a video solving question on cost sheet) and [Treatment of Stock: Materials, Work-in-Progress and Finished Goods \(yourarticlelibrary.com\)](#)
- Allow learners to work in groups to solve the extended question 1, 2 and 3, and present their solution to the class (refer to class XI Accountancy textbook, page 271 - 272).

Questions:

A business firm has following costs incurred for the business. Segregate them as per the components of cost sheet and justify their placement.

- Wages paid to the workers
- Salary paid to the office staff
- Fueling of manager's car
- Paid water bill for the production firm

Assessment and Reporting

Some of the suggested assessment tools are checklist, rubrics, online quiz using google form/Mentimeter, and Q&A to assess the learning progress of the learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
7. Meaning of cost accounting What is COST ACCOUNTING? What does COST ACCOUNTING	The resource provides a video on the meaning and explanation of cost accounting.	Concept of Cost Accounting.

mean? COST ACCOUNTING meaning & explanation - YouTube		
8. Objectives of cost accounting Objectives of Cost Accounting (accountingnotes.net)	The resource provides learning materials on the objectives of cost accounting.	Examine the objectives of Cost Accounting.
9. Elements of cost accounting <ul style="list-style-type: none"> Elements of Cost in Cost Accounting (economicsdiscussion.net) elements of cost - YouTube 	The resources provide both video and learning material on the elements of cost accounting.	Examine the elements of cost in Cost Accounting.
10. Purpose of cost sheet <ul style="list-style-type: none"> Concept of Cost Sheet - YouTube Cost Sheet: Meaning, Format, Examples, Problems, Elements, Specimen, Proforma and Advantages (economicsdiscussion.net) 	The resources provide both video and learning material for the cost sheet.	Identify the purpose of the cost sheet.
11. Preparation of cost sheet <ul style="list-style-type: none"> [#2]Cost sheet with Inventories [Comprehensive Problem] Cost Sheet tutorial by:- Kauserwise - YouTube Treatment of Stock: Materials, Work-in-Progress and Finished Goods (yourarticlelibrary.com) 	➤ The resource provides practice questions for the cost sheet.	Preparation of cost sheet.

9. Introduction to Management Accounting

Managers use accounting information to make management decision and to control management functions. This is done based on results obtained through various tools and techniques used to analyse financial data.

Competency

Describe different tools and techniques in management accounting for interpreting and analysing the accounting data to supplement information presented in the financial statement.

Scope: Introduction to management tools such as common size financial statements and ratio analysis.

Learning Objectives:

- Define management accounting.
- Explain the purpose of management accounting.
- Examine the scope of management accounting.
- Explain the tools and techniques of management accounting.

Learning Experiences:

To check the long-term sustainability of the business, capital gearing ratio or debt-equity ratio is used to understand proportion of long-term debt against equity capital. If the ratio is more than 1 or 100% the business is quite risky as the amount of debt is more than owners' funds or equity.

This chapter provides learning experiences of various management tools that are being used in the business.

- Define and explain Management Accounting (refer to class XI Accountancy textbook, page 347-348)
- Use the link to learn the concepts of management accounting: [What is Management Accounting? - Introduction, Meaning, Definitions, Difference, Functions, Scope, Importance and Techniques \(economicsdiscussion.net\)](http://economicsdiscussion.net/What-is-Management-Accounting?_intcid=1)
- Solve learning activity 1 independently and few learners may present their work (refer to class XI Accountancy textbook, page 348).
- Learners in groups discuss the purposes of Management Accounting (refer to class XI Accountancy textbook, page 348 – 349)
- Use the link: [Management Accounting: Definition, Functions, Objectives, Roles \(iedunote.com\)](http://iedunote.com/Management-Accounting-Definition-Functions-Objectives-Roles) for more information on purposes of Management Accounting.
- Allow the learners to solve learning activity 2 independently and few learners may present their work (refer to class XI Accountancy textbook, page 349).
- Learners in groups discuss the nature and scope of Management Accounting (refer to Accountancy for XI, page 350)
- Use the link: [Management Accounting Nature and Scope \(theintactone.com\)](http://theintactone.com/Management-Accounting-Nature-and-Scope) for more information on the nature and scope of Management Accounting.
- Explain the management tools or techniques – ratio analysis (refer class XI Accountancy textbook, page 351-354)
- Use the link: [Ratio Analysis - Introduction - YouTube](http://www.youtube.com/watch?v=...)
- Explain the tools – cash flow statement (refer class XI Accountancy textbook, page 354 – 357)
- Explain the tools – comparative statement (refer Accountancy for XI, page 358)
- Use the link: [comparative financial statements - YouTube](http://www.youtube.com/watch?v=...) for comparative statement.
- Explain the tools – common size statement (refer class XI Accountancy textbook, page 359)
- Use the link: [Common size financial statements - YouTube](http://www.youtube.com/watch?v=...) for common size statement.

Questions

A business has borrowed Nu. 300,000 to start a business of the total capital Nu. 1 million. At the end of first year business has earned Nu. 75,000 as profit. Explain the long-term solvency of the business.

Assessment and Reporting

Some of the suggested assessment tools are checklist, rubrics, online quiz using google form/Mentimeter or any other relevant sites, and Q&A to assess the learning progress of the learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
10. Definition of Management Accounting What is Management Accounting? - Introduction, Meaning, Definitions, Difference, Functions, Scope, Importance and Techniques (economicsdiscussion.net)	The resource provides the definition and meaning of Management Accounting.	Concept of Management Accounting.
11. Purpose of Management Accounting Management Accounting: Definition, Functions, Objectives, Roles (iedunote.com)	The resource provides learning the purpose of Management Accounting.	Understanding the purpose of Management Accounting.
12. Nature and Scope of Management Accounting Management Accounting Nature and Scope (theintactone.com)	The resource provides the nature and scope of Management Accounting.	Understanding the scope of Management Accounting.
13. Ratio Analysis Ratio Analysis - Introduction - YouTube	The resource provides a video link for ratio analysis.	Concept of ratio analysis and types of ratios.
14. Comparative financial statement comparative financial statements - YouTube	➤ The resource provides a video link for a comparative financial statement.	Concept of comparative financial statement and an example.
15. Common size statement Common size financial statements - YouTube	➤ The resource provides a video link for a common size statement.	Concept of common size statement and an example.

Class XII

1. Accounting for Taxation

Taxation is one of the important components of financial decisions of a business. The management of the business entity has a statutory responsibility to maintain proper records of tax effects of business transactions and deposit the tax money on a timely basis to the government account. Equally, the management can do tax planning for its financial transactions to optimize tax benefits. Income tax has a significant effect on the net profit of the business.

Competency

Ascertain the tax liability of a business firm and report the tax component in the financial statement to ensure correct and timely deposit of tax money to the government.

Scope

The topic consists of accounting profit and taxable profit, concept of current tax expense and tax liabilities including under or over provision of taxes, reporting of tax components in financial statements, deferred tax and computation of BIT based on salary.

Learning Objectives:

- Explain the importance of taxation in business
- Discuss the statutory responsibilities of managers for tax accounting in business.
- Differentiate between accounting profit and taxable profit
- Explain the concept of current tax expense and tax liabilities including under or over provision of taxes
- Report tax components in the financial statements of the reporting entity.
- Compute sales Tax and pass journal entry
- Explain the concept of deferred tax
- Compute Business Income Tax as per the Income Tax Act of Kingdom of Bhutan (direct cost, employment expenses, salary, wages, bonus, employee benefits and deductions not allowed as per the Act)

Learning experience:

To deliver the lessons under this chapter, there are various URL links, video tutorials and reading materials given to supplement information provided in the textbook.

i. Topic: Importance and statutory responsibilities of managers for tax accounting

Learning strategies such as reflective learning and activity based learning may be used for delivering the lessons:

- Ask learners if they have gone for shopping recently? Ask them to show a sales receipt (either ask them to produce or find online) and highlight on the bottom section which shows total and taxes. Further inquire by asking, why are there extra amounts of money added to the bill and what could be the reasons for it?

Youtube links:

<https://www.youtube.com/watch?v=MxgpAzoOTZg>

<https://www.facebook.com/watch/?v=339999760218273>

- Design a learning activity using activity based learning. Divide the learners into different groups and ask them to come up with statutory responsibilities of manager for tax accounting and present in the class.

Assessment:

Use a performance based rubrics with or without grading to assess the learning outcomes of the activity.

ii. Topics:

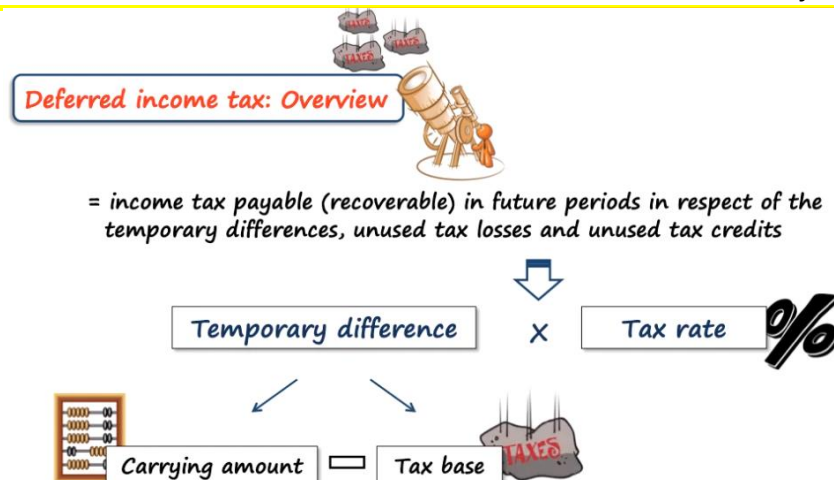
- *Concepts of sales tax and its journal entries*
- *Concepts of current tax and tax liabilities including under or over provisions*
- *Differentiate between accounting profit and taxable profit*
- *Concept of deferred tax*

Deliver the lesson by adopting reflective learning, case based learning and activity based learning methods.

- Introduce the concept of sales tax and journal entries using the following URL link: <https://www.patriotsoftware.com/blog/accounting/sales-tax-accounting-basics/>
- Design questions on sales tax and let learners to practice on it.
- Introduce the concept of current tax, accounting income and taxable income using following URL link: <https://www.cpdbox.com/ias-12-income-taxes/> for more understanding on differences between accounting income and taxable income.
- Use the following formula to calculate current tax:

$$\text{Current income tax} = \text{Taxable profit / (loss)} \times \text{Tax rate \%}$$

- Introduce the concept of deferred tax. Refer the link; <https://www.cpdbox.com/ias-12-deferred-tax/> for better understanding and details.
- Use the following flow chart to summarize the concept of Deferred Tax.



For ascertaining deferred tax refer example from text book page no.6 and also refer link: <http://kashifadeel.com/08-ias-12-income-taxes/> for better understanding.

- iii. **Topic:** Compute Business Income Tax as per the Income Tax Act of Kingdom of Bhutan (Teach only deductions and adjustments related to direct cost, employment expenses, salary, wages, employee benefits, bonus and deductions not allowed as per the Act)

Some suggestive teaching-learning strategies such as Demonstrative Learning method, Guided Learning method and Activity based learning method can be used.

- Introduce the concept of Business Income Tax. For introduction of BIT use the following link:

<https://www.youtube.com/watch?v=gTbeuvSyn6E>

- Explain the sources of documents for BIT by referring class XII textbook page no. 14.
- Design activity-based-learning to study allowable deduction as per Income Tax Act of Kingdom of Bhutan, 2001:
 - ❖ Divide learners into 7 groups (depending upon size of the class)
 - ❖ Provide topic from the textbook page no. 15-18 and 32.
 - ❖ Guide and support learners during the group discussions.
 - ❖ Present the topics with examples to the class.
- Solve practical questions from textbook and BHSEC XII Accountancy paper 2020.

Questions:

- Explain the difference between current tax expense and deferred tax expense. Assess the merit of deferred tax treatment in the books of accounts.

- Identify one item or event that will give rise to taxable temporary difference.
Discuss how that taxable temporary difference will be treated in the accounts and reported in the financial statements.

Assessment and Reporting

Performance based rubrics with or without grading can be used to assess the learning outcomes of the activity assigned.

1. Resources:

Title & URL Resources	Description of Resource	Core Concepts
6. Concept of tax https://www.youtube.com/watch?v=MxgpAzoOTZg	The resource provides audio visual concept of tax, importance of filing tax and responsibilities to file tax	Concept, Importance & Responsibilities of manager to file tax.
11. Sales Tax https://www.patriotsoftware.com/blog/accounting/sales-tax-accounting-basics/	The resource provides learning concept of Sales Tax and its journal entries.	Sales tax, Accounting for tax collected from customer and Accounting for purchases
12. Current tax & accounting for income & taxable income https://www.cpdbox.com/ias-12-income-taxes/	The resource provides comprehensive summary of the concept of current tax, accounting income and taxable income.	Concept & measurement of current tax, Accounting income and taxable income, Current tax versus deferred tax.
13. Deferred Tax https://www.cpdbox.com/ias-12-deferred-tax/	The resource provides the concept of deferred tax.	Deferred tax
14. Current Tax and Tax liability http://kashifadeel.com/08-ias-12-income-taxes/	The resource provides comprehensive questions on current tax and tax liability.	Calculations current tax and deferred tax
15. Business Income Tax https://www.youtube.com/watch?v=gTbeuvSyn6E	The resource provides audio visual concept of Business Income Tax	Business Tax
16. Ethics of Tax https://www.facebook.com/watch/?v=339999760218273	The resource provides audio visual concept of Ethics of Income Tax	Ethics of Income Tax

2. Accounting for Payroll

Employee remuneration and benefits form significant costs in the organisation. A proper accounting of this cost is important not only for management but also for external information users. This chapter equips learners with knowledge and skills on various allowances and benefits, and deductions to compute salary payment to employees.

Competency

Prepare a payroll of a business firm by considering various allowances and deductions as per the human resource (HR) policy to arrive salary for each employee and present it in the financial statement.

Scope

The topic consists of determining payroll for an organisation including allowances and deductions to arrive take home pay.

Learning Objectives:

- i. Explain the concept of payroll.
- ii. Explain the concept of gross pay, deductions (including TDS, Pension.
- iii. and GIS) and take home pay.
- iv. Differentiate between salaries and wages.
- v. Prepare pay sheet.
- vi. Record payroll expenses including recoveries.
- vii. Report employee costs on financial statements.

Learning experiences:

To deliver the lessons under this chapter, there are various URL links, video tutorials and reading materials given to supplement information provided in the textbook.

i. Topics:

- *Concept of payroll, gross pay, deductions (including TDS, Pension and GIS) and take home pay.*
- *Differentiate between salaries and wages*

The suggested learning strategies under this chapter are guided learning method and Activity based learning method.

- Introduce the concept of payroll with emphasis on terminology with use of video clip given in the following URL Links:
<https://www.youtube.com/watch?v=nSEXmMzZ4WM>
- Use activity-based learning to learn different terminologies used in a payroll. Divide learners in different groups and discuss different terminologies used in the preparation of payroll after watching video clip. (5 minutes for discussion and 3 minutes for presentation). The teacher may supplement and reinforce wherever necessary.
- Use the video clip to differentiate between salary and wages:
<https://www.youtube.com/watch?v=xNPMA4l9dTc>. After watching video clip, let learners take notes, the differences between salary and wage.

Assessment:

- Design a quiz to check the understanding of different terminologies used in preparation of payroll.

ii. Topics:

- *Prepare pay sheet*
- *Record payroll expenses including recoveries*
- *Report employee costs on financial statements*

The suggested teaching-learning strategies to deliver the topics are guided learning method, demonstration learning method and activity based Learning method.

- Demonstrate the steps required to journalize and posting the entry for various payments made to employees for their work.
- Teacher may conduct quiz by following the link:
http://www.swlearning.com/accounting/bieg/mquiz_01/ch06/ch06.html
- Design learning activity to create payroll in spreadsheet. Learners must be given enough time to enhance their IT skills to use functions and formulae to undertake payroll exercises.
- Vlookup function is very important function required to generate payslip for the employees. Therefore, the learners must learn and apply. Following video tutorial is given to learn the function: https://www.youtube.com/watch?v=Jwo5Ae7tH_I&t=131s

- ❖ Learners to assume that they own a business and let learners to prepare the payroll for his 6 employee's. Their pay period is every month.
- ❖ Use the link: <https://www.molhr.gov.bt/molhr/wp-content/uploads/2017/09/samplesalarysheet.pdf> to develop payroll in spreadsheets. (Select different designation and pay-scale for the employees)
- ❖ Pass journal entries while disbursing the employees benefit, expenses including recoveries and deductions.
- ❖ Report employee's costs on financial statements.
- ❖ Solve practical questions from textbook and other relevant sources. Refer 2020 BHSEC XII Accountancy paper

Question:

Phuntsho and Banu are two employees of a Bhutan Shoes company. They receive wages calculated at Nu. 420 per unit and Nu. 450 per unit produced respectively. Minimum wage per week is Nu. 975. Any employees producing more than 80 units is paid at Nu. 500 per unit for the excess. In week 43, Phuntsho produced 105 units and Banu produced 64 units.

Required

Calculate the gross pay for the company.

Assessment and Reporting

Performance based rubrics with or without grading can be used to assess the learning outcomes of the activity assigned.

1. Resources:

Title & URL Resources	Description of Resource	Core Concepts
1. Introduction to payroll https://www.youtube.com/watch?v=nSEXmMzZ4WM	➤ A video brief introduction on payroll	➤ Meaning of payroll, gross pay, allowances and deductions
2. Difference between salary & wages https://www.youtube.com/watch?v=xNPMA419dTc	➤ A video Clip on differences between Salary and wages	➤ Meaning of salaries and wages. Differences between salary and wages.

3. Quiz on payroll http://www.swlearning.com/accounting/bieg/mquiz_01/ch06/ch06.html	➤ Quiz on payroll	➤ Components of payroll
4. Salary Sheet https://www.molhr.gov.bt/molhr/wp-content/uploads/2017/09/samplesalarysheet.pdf	➤ PDF form for employees salary sheet	➤ Preparation of payroll and reporting on financial statements
5. Vlookup function https://www.youtube.com/watch?v=Jwo5Ae7tH_I&t=131s	➤ Use the video to learn Vlookup function used while preparing payslip	➤ Payslip

3. Investment Property

Business entities usually invest in properties such as land, buildings, gold and other precious metals apart from keeping their money in banks and investment in stocks or other entities. How should such properties be differentiated from other properties, and how are they accounted in the books?

Competency

Identify, recognize, present and disclose investment property as per the BAS 40 and present it in the financial statement.

Scope

The topic consists of identification, recognition, presentation and disclosing investment property in the financial statement.

Learning Objectives:

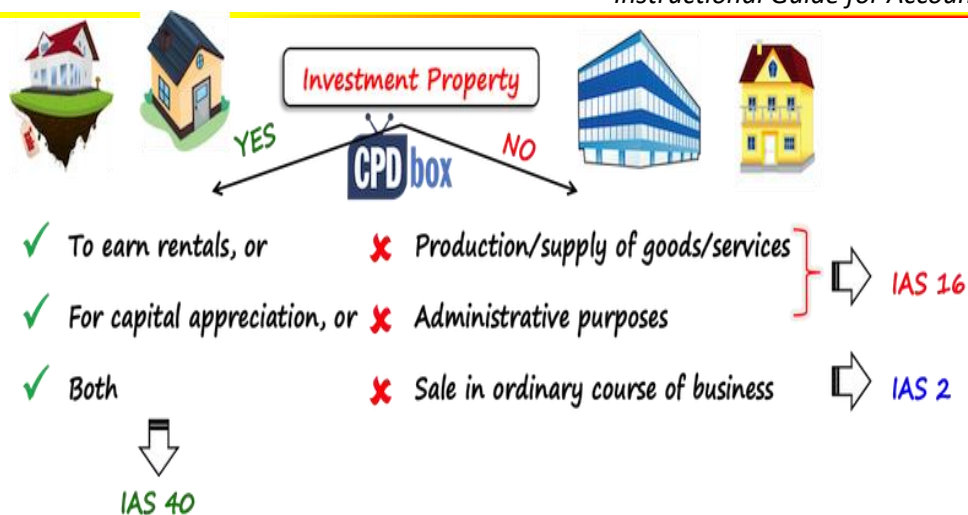
- i. Explain the concept of investment property.
- ii. Explain the recognition and measurement basis for investment property.
- iii. Discuss issues in classification of investment properties.
- iv. Record accounting transactions related to investment property.
- v. Present investment property in financial statements.

Learning experiences:

Investment properties are an asset, either land or building, or both and such assets must ensure future cash flows in the form of rental income to the business. Other than land or building, assets may bring rental income but will not be considered as investment properties as per the BAS 40.

*i. **Topic:** Concept and initial recognition of IP*

- a. Revisit the definition of asset.
- b. Introduce the concept of Investment Property.
Refer the link from p.g, 5 -9, <http://www.focusifrs.com/content/view/full/5200> for more details.
- c. Differentiate Investment Property from Property, Plant and Equipment (Owner-occupied) and Inventory. Use the following picture to summarize the concept of Investment Property:



Source: <https://www.cpdbox.com/ias-40-investment-property/>

- d. Elaborate on financial lease and capital lease. Learner should know the difference between operating and financial lease. Refer the link; <https://www.cpdbox.com/summary-of-ias-17-leases/> to understand further on IAS 17; Leases. However, IAS 17 is not subject to examination. Further, under IFRS 16, lessee need not have to classify lease as operating or financing.
- e. **Learning activity:** Provide learners with list of assets and ask learners to justify whether the assets qualify as Investment Property or not.

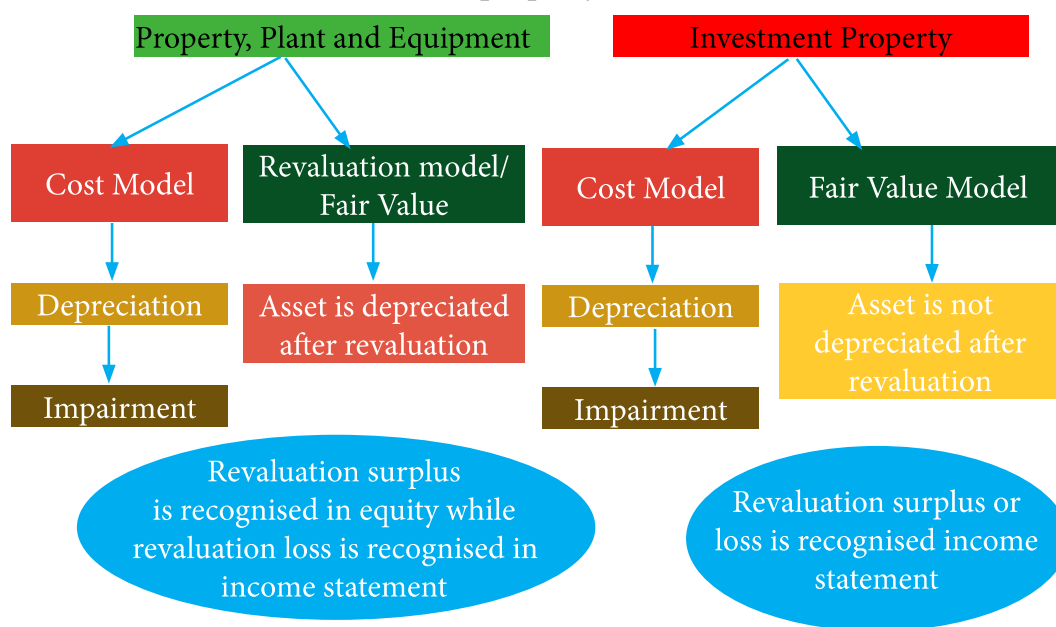
Assessment:

Use checklist to evaluate the learning activity.

- ii. **Topics:** Measurement, issues in classification of Investment Property, recording accounting transactions and reporting of Investment Property.
 - a. Recall the concept of Property, Plant and Equipment (PP&E) taught in XI.
 - b. Introduce the measurement concept of Investment Property. All Investment Property are initially measured at cost. Learner should understand the concept of cost with examples.
 - c. For subsequent measurement, accounting standards provides a choice between cost model and fair value model. Introduce the concept of cost model (purchase, depreciation, impairment and disposal) similar to the cost model of Property, Plant and Equipment.
 - d. Revisit the methods of depreciation; straight line and diminishing method.

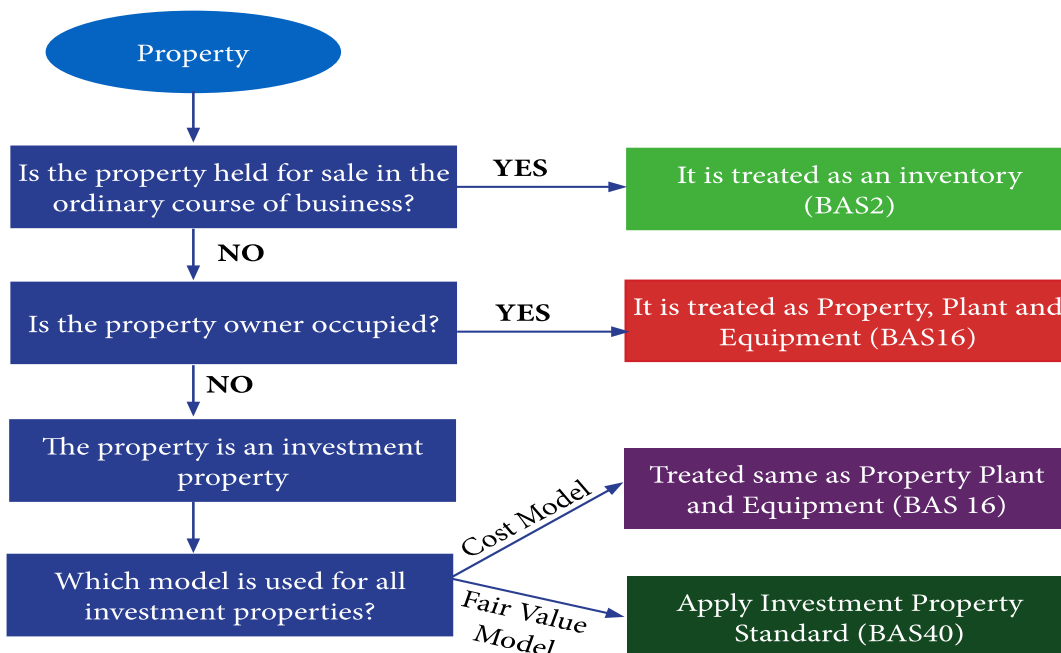
- e. Solve practical questions relating to cost model of Investment Property from relevant source or refer 2020 BHSEC XII accountancy paper (the question should include accounting treatment of purchase of Investment Property, depreciation charged under straight line and diminishing method followed by any profit or loss incurred on disposal of Investment Property). Learner should know how accounting treatment of investment property under cost model impact the financial statements of a business.
- f. **Learning Activity 1:** Design a question focusing on the cost model. The cost should include direct attributable cost and subsequent cost. Learner should know the accounting treatment of direct attributable cost, subsequent cost, depreciation and disposal of Investment Property.
- g. Introduce the concept of fair value model. Learner should know the meaning of fair value. For accounting treatment of fair value model, refer XII Accountancy Textbook, illustration 5, pg.70.
- h. Compare fair value model of Investment Property with revaluation model of Property, Plant and Equipment.
- i. Use the following figure to summarize accounting treatment for PP&E and IP:

Summary of accounting for property, plant and equipment, and investment property



Source: Royal Education Council: XII Accountancy.

- j. **Learning Activity 2:** Design a question focusing on the fair value model similar to examples given in textbook. However, learners should know the accounting treatment of gain and loss under fair value model.
- k. Introduce the concept of transfer from Property, Plant and Equipment to Investment Property. Learner should have clear understanding of accounting treatment for the revaluation surplus.
- l. Refer XII Accountancy textbook, illustration 5, p.g.70 and <https://www.cpdbox.com/026-accounting-for-transfers-ppe-investment-property-revaluation/> for the accounting treatment.
- m. Discuss some of the issues in classification of Investment Property when the property is partially used for rental purpose and administrative purpose.
- n. Discuss on the significance of ancillary services provided to distinguish the property as Investment Property or Property, Plant and Equipment.
- o. **Learning Activity 3:** Take an example of hotel Taj Tashi and ask learners if the hotel can be accounted as Investment Property or Property, Plant and Equipment? Learners can visit the link; <https://www.cpdbox.com/025-is-a-hotel-an-investment-property-under-ias-40/> to supplement their answer.
- p. Use the following decision tree on treatment of Investment Property to enhance the learning capacity of learners:

The decision tree

Source: Royal Education Council: XII Accountancy.

- q. For the summary refer the following links:

<https://www.cpdbox.com/ias-40-investment-property/>

<https://www.bdo.com.au/en-au/accounting-news/accounting-news-august-2018/common-errors-ias40-part1>

<https://htkacademy.com/ias-40-investment-properties/>

<https://www.youtube.com/watch?v=ow5mnxqr3XQ>

Questions:

A business entity invested in a property where it desired to have a regular source of income from the property in the form of rents. The property was purchased at Nu. 550,000 in 2017 and it incurred legal fees and other transaction costs of Nu. 50,000. The entity collects a monthly rent of Nu. 12,000 from the property. The management of the entity decided to use cost model in the subsequent years with 8.5% depreciation on carrying amount.

Compute carrying amount of investment property for the year ended 31 December 2019. Also, record entries for the same effect.

Assessment and Reporting

For Learning Activity 1 and 2, use the rubrics designed for assessing the work.

For Learning Activity 3, use the extended learning questions to assess the understanding of learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
Module 16 – Investment Property: http://www.focusifrs.com/content/view/full/5200	The resource provides comprehensive summary of the concept of Investment Property.	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.
Summary of IAS 40 Investment Property: https://www.youtube.com/watch?v=ow5mnxqr3XQ	The resource provides audio visual concept of Investment Property.	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.

Summary of IAS 40 Investment Property: https://www.cpdbox.com/ias-40-investment-property/	The resource provides summary of the concept of Investment Property.	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.
Common errors when accounting for investment property (IAS 40): https://www.bdo.com.au/en-au/accounting-news/accounting-news-august-2018/common-errors-ias40-part1	The resource provides some common errors committed when accounting for Investment Property.	Errors in accounting of Investment Property.
Investment Property: https://htkacademy.com/ias-40-investment-properties/	The resource provides simplified version of the concept of Investment Property.	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.
Accounting for transfer of owner occupied property under revaluation model to investment property: https://www.cpdbox.com/026-accounting-for-transfers-ppe-investment-property-revaluation/	The resource provides accounting treatment for transferring property from owner occupied to Investment Property.	Accounting treatment of Investment Property.
Accountancy For Class XII: Royal Education Council; Accountancy For Class XII	The resource provides detail concepts.	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.
IAS 17: Leases https://www.cpdbox.com/summary-of-ias-17-leases/	The resource provides summary of lease accounting	Concept of Investment Property.
Is hotel an Investment Property under IAS 40?: https://www.cpdbox.com/025-is-a-hotel-an-investment-property-under-ias-40/	The resource provides significance of ancillary services.	Concept of ancillary services relating to Investment Property.

4. Accounting for Intangible Assets and Government Grants

Business entities whose success depends on scientific research, development and innovation of products and services must spend huge amount on such scientific research and innovation in order to meet the complex demand of the consumers. The major chunk of their assets is made up by intangible assets. How should such assets be accounted in the books and how long?

Some business entities receive money from the government agencies either to establish or procure assets. How should business account such assets in the books?

4.1 Intangible Assets

Competency

Conduct test for impairment and amortization of intangible assets as per the BAS 38 and present in the financial statement.

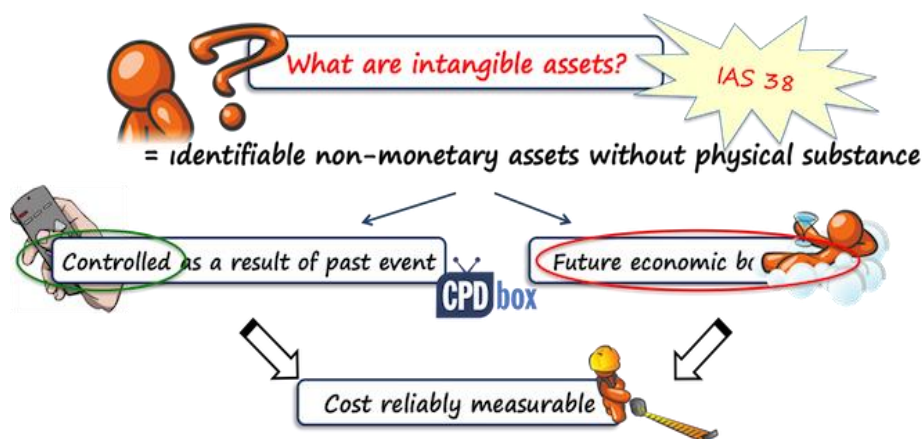
Scope: This topic consists of intangible asset, reporting of intangible asset and amortization of intangible asset in the financial statement.

Learning Objectives:

- i. Explain the concept of intangible asset.
- ii. Differentiate intangible assets from goodwill.
- iii. Discuss the capitalization criteria for an item of intangible asset.
- iv. Record and report intangible asset in financial statements.
- v. Record and report for impairment and amortization of intangible assets.

Learning experiences:

- i. **Topic:** Concept of Intangible Assets and differentiate Intangible Assets from Goodwill
 - a. Revisit the definition of Assets. Introduce the concept and recognition criteria of Intangible Assets. For the definition of Intangible Assets, elaborate more on the three characteristics of Intangible Assets; Control, Non-Physical Substance and Identifiable. Refer the link; <https://www.cpdbox.com/ias-38-intangible-asset-expense/> to elaborate more on the concept of Intangible Assets with examples.
 - b. Use the figure below to summarize the concept of Intangible Assets;



- c. **Learning Activity:** Provide learners with list of items and ask learners to classify as Intangible Assets with reasons. The purpose of the activity is to see if the learners understood the concept of Intangible Assets. The activity should focus on the definition and recognition criteria of Intangible Assets.
- d. Explain the difference between Intangible Assets and Goodwill. For more understanding of Goodwill, refer IFRS 3 (Business Combinations). However, IFRS 3 is not subject to examination.

1. Assessment

Use checklist to assess the learning activities carried out in the class

ii. **Topic:** Capitalization criteria, recording and reporting of Intangible Assets.

- a. Introduce the concept of Internally generated Intangible Assets (Research and Development Phase) by clearly differentiating accounting treatment of research phase and developmental phase. Refer the link; <https://www.cpdbox.com/ias-38-intangible-assets/> for more understanding.
- b. Not all internally generated Intangible Assets can be capitalized. For example, brands acquired by the way of purchase can be capitalized while brands developed internally cannot be capitalized. This is because the cost incurred for development of brand cannot be ascertained. Refer Bhutanese Accounting Standard (BAS 38.63) for more details.
- c. The acronym PIRATE can be used to explain the concept of capitalization of internally generated Intangible Assets. Illustrate with example on how internally generated Intangible Assets are capitalized using the criteria set by IFRS. Refer the link; <https://www.cpdbox.com/ias-38-intangible-assets/> for more understanding.
- d. **Learning Activity 1:** Learners in group can explore process of capitalization of intangible assets. For example, learners can think about the development of software for the business and then see how conditions for capitalizing development are met. The same can be then presented to rest of group.
- e. For ascertaining cost to be capitalized in the process of development, recording and reporting of Intangible Assets, refer p.g. 90, illustration 3, XII Accountancy Textbook.
- f. Introduce the concept of impairment and amortization. The concept of amortization is similar to that of depreciation. However, learners should clearly differentiate impairment from amortization and amortization from depreciation. For impairment of Intangible Assets, refer the link for better understanding; <https://www.cpdbox.com/ias-36-impairment-assets/>
- g. **Learning Activity 2:** Design a question focusing on purchase, amortization and then disposal of Intangible Assets. The learners should know how the transaction will have impact on financial statement of the company. The purpose of this activity is to see if the learners are equipped with the recording part of Intangible Assets (Journal Entry). Learners should know the rule of debit and credit.
- h. For the summary use the following video link;
<https://www.youtube.com/watch?v=DzR1HBfRDjg>

Assessment and Reporting

For Learning Activity 1, use observation tool like peer feedback.

For Learning Activity 2, use rubrics to assess the work assigned.

4.2 Account and report Government Grants under acquisition of assets and reimbursement

Competency

Recognise government grants and show the treatment in the books based on recognition criteria of the accounting standards, and report it in the financial statement.

Scope: Topic consists of accounting and reporting of government grants.

Learning Objectives:

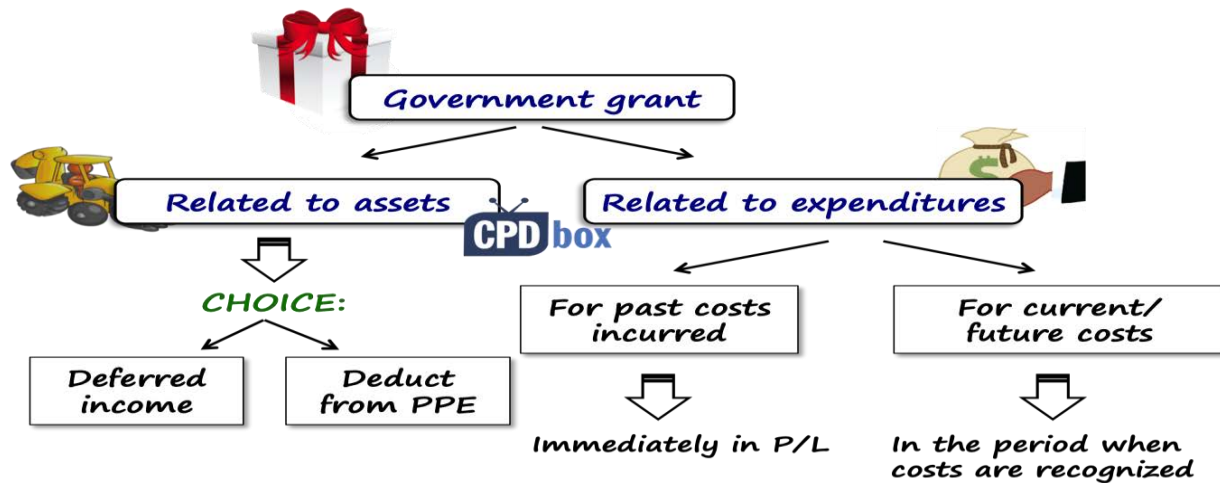
- i. Account government grants under acquisition of assets and reimbursement of cost approach.
- ii. Report government grants in financial statements.

Learning experiences:

- a. Introduce the concept of Government Grants and differentiate between Government Grants and Government Assistance. Learners should clearly know the difference between the two since the value of Government Assistance cannot be reasonably measured and thus should not be included under Government Grants.
- b. **Learning Activity 1:** Provide a list of items and ask learners to classify as Government Grants and Government Assistance with reasons. The purpose of this activity is to check whether the learners understood the concept of Government Grants. Do not proceed further if the learners are not clear with the concept.
- c. For recording and reporting of Government Grants, IFRS strictly prohibits crediting of Government Grants directly under equity. Learners can use the “income approach”. Refer the link; <https://www.cpdbox.com/ias-20-government->

grants/ and https://www.youtube.com/watch?v=iEK8_5JPveU&t=4s for the accounting treatment of Government Grants.

- d. **Learning Activity 2:** Learners can surf news article on the government grants provided to business entity. Learners can then present the news article in the class and discuss on the recording and reporting part.
- e. For summary use the following chart;



Source: <https://www.cpdbox.com/ias-20-government-grants/>

Question

Phuensum City Restaurant (PCR) acquired a new catering business from Lhamo Restaurant (LR). As part of the acquisition deal, Phuensum City Restaurant obtained a customers' list from Lhamo Restaurant. These customers have remained loyal to LR for more than a decade which the valuers have estimated worth Nu. 1. Million. The new manager of PCR intends to capitalize this as intangible asset.

Required:

Advise PCR whether they can recognize customers' list as intangible asset in their books of accounts.

Assessment and Reporting:

For Learning Activity 1, use checklist assessment tool

For Learning Activity 2, use question and answer to check the progress of learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
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IAS 38: Intangible Asset or Expense https://www.cpdbox.com/ias-38-intangible-asset-expense	The resource provides comprehensive summary of the concept of Intangible Assets.	Concept, recognition, measurement, accounting treatment and disclosure of Intangible Assets.
How to account for Intangible Assets under IAS 38: https://www.cpdbox.com/ias-38-intangible-assets/	The resource provides summary of the concept of Intangible Assets for easy learning.	Concept, recognition, measurement, accounting treatment and disclosure of Intangible Assets.
Impairment of Assets: https://www.cpdbox.com/ias-36-impairment-assets/	The resource provides concept of Impairment of Assets.	Impairment of Intangible Assets.
IAS 38 – Intangible Assets: https://www.youtube.com/watch?v=DzR1HBfRDjg	The resource provides audio visual concept of Intangible Assets in summary form.	Concept, recognition, measurement, accounting treatment and disclosure of Intangible Assets.
How to account for Government Grants (IAS 20): https://www.cpdbox.com/ias-20-government-grants/	The resource provides simplified version of the concept of Government Grants.	Concept, recognition, measurement, accounting treatment and disclosure of Government Grants.
IAS 20 – Government Grants: https://www.youtube.com/watch?v=iEK8_5JPveU&t=4s	The resource provides audio visual concept of Intangible Assets in summary form.	Concept, recognition, measurement, accounting treatment and disclosure of Government grants.

5. Liabilities, Provisions and Contingencies

Liabilities are the present obligation arising from the past events which will result in outflow of economic resources from the business. If the business firm cannot ascertain the amount and time of payment but there is certainty of payment, it is termed as provision. However, if the business firm is not sure even whether payment has to be made or not which is termed as contingent liabilities. How are these itmes treated in the books?

Competency

Identify the items of liabilities, provisions and contingencies as per the BAS 37, classify and present it in the financial statement.

Scope: Concepts and recognition of liabilities, provision, contingent liability and asset; and their presentation in the financial statement.

Learning Objectives

- Explain the concept of liabilities and its recognition criteria.
- Explain the concept of provision and needs to create a provision.
- Calculate and record provision in financial statement.
- Explain the concept of contingent liability and contingent asset.
- Differentiate amongst liability, provision and contingent liability.
- Identify disclosure requirement of contingencies in financial statements.

Learning experience

Teaching strategies such as activity based learning, case based learning and demonstration method are suggested to be used for delivering the lessons under this chapter.

- i. **Topics:** *Concept and recognition criteria of liabilities and provisions, measurement and recording of provisions in the financial statement.*
 - a. Introduce the definition of liabilities and its recognition criteria. For example; In case of buying of inventory on credit, the past event is the buying of inventory on credit, the present obligation is in the form of legal and in future in order to settle the obligation, economic benefit will flow out. Therefore, Accounts Payable Account will be credited if the cash payment is probable and can be measured reliably.
 - b. Introduce the concept and recognition criteria of Provisions. Discuss on present obligation, past event, probability test and measurement test. Refer XII Accountancy Textbook, p.g. 102 for example.
 - c. **Learning Activity:** Develop a case study (The case should focus on the present obligation and past event). Ask students to identify the present obligation and past events.

- d. Introduce the measurement concept of provisions focusing on expected value and most likely outcome method. Refer XII Accountancy Textbook, p.g. 103 – 104 to understand the measurement of provisions with examples.
- e. For the recording of provisions, the common journal entry is Debit Expense/Asset Account and Credit Provisions Account.
- f. The following table can be used to summarize the measurement of provisions;

Expected Value Method	Most Likely Outcome Method
This method is suitable when there are range of possible outcomes or while measuring the provision for large amount of items. In this case, provision is estimated by weighting all possible outcomes by their associated probabilities (for example, warranty repair costs for 10 000 products).	This method is suitable in the case of an single obligation or just 1 item (for example court case).

- g. Discuss the situation under which provisions cannot be recognized. For example, provisions for training of employees cannot be recognized since the obligation to provide training to employees can be avoided. The accounting standard prohibits recognizing provisions if the obligation can be avoided by future actions.
- h. The following table can be used to summarize the other aspects of provisions;

Future Operating Losses	Onerous Contract	Use of Provisions	Estimation
Do not make a provision since there is no past event and the obligation can be avoided.	Make a provision in the amount lower of unavoidable cost of fulfilling the contract and penalty for not meeting obligations from the contract.	Provisions should be used only for the intended purpose. For example provision for warranty can be used only for settling warranties obligation.	Provisions made should be based on best estimate. Provisions should not be exaggerated.

Assessment

Use rubrics to assess the case study.

- ii. **Topics:** Concept of contingent liabilities and contingent assets, difference between provisions and contingencies and disclosure requirement of contingencies in financial statements.

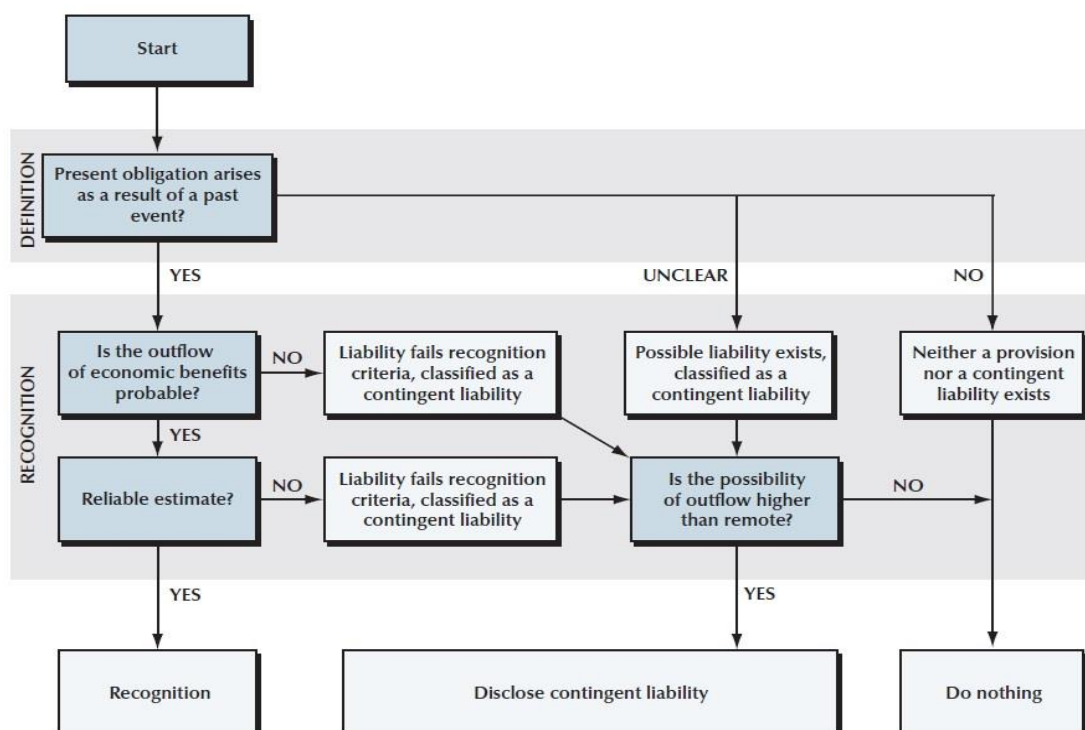
- a. Introduce the concept of contingent liabilities and contingent assets. The concept of contingent liabilities should focus on an obligation where the likelihood of outflow of economic benefit is estimated to be less than 50% (possible obligation) or a present obligation where the likelihood of outflow of economic benefit is less than 50% or is a present obligation but likelihood of outflow of economic benefit cannot be estimated.
- b. In order to understand the differences in recording and reporting of provisions, contingent liabilities and contingent assets, refer XII Accountancy Textbook, p.g. 107 – 108.
- c. **Learning Activity:** Learners can study financial statement of any of the listed companies of their choice and then make a class presentation on their findings and interpretation relating to provisions and contingencies.
- d. Use the following table to summarize the difference between provisions and contingencies.

Provisions	Contingent Liabilities
A present obligation that probably requires an outflow of resources.	A possible obligation or a present obligation but is not recognized because it fails to meet probability or measurement test.
It is recognized in financial statement.	It is disclosed in financial statement.

Provisions	Liabilities
Liability of uncertain timing or amount.	Timing and amount is certain

Assets	Contingent Assets
The probability of inflow of economic benefit is virtually certain.	The probability of inflow of economic benefit is probable but not virtually certain.
It is recognized in financial statements.	It is disclosed in financial statements.

- e. Use the following decision tree to get better understanding and guidance on provisions and contingencies;



Source: Willey; Applying IFRS standards; Fourth Edition

f. For summary refer the following link;

<https://www.youtube.com/watch?v=cM9YQUegKUs&t=9s>

<https://www.cpdbox.com/ias-37-provisions-contingent-liabilities-contingent-assets/> <https://www.cpdbox.com/ias37-examples/>

Questions:

A retail store has a policy of refunding purchases made by dissatisfied customers. Even though it is under no legal obligation to do so, its policy of making refunds is generally known. Should provision be recognized? Justify using the recognition criteria.

Assessment and Reporting:

Class presentation can be accessed using the rubrics designed followed by question answer session.

Resources

Title & URL Resources	Description of Resource	Core Concepts
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Summary of IAS 37 Provisions: https://www.youtube.com/watch?v=cM9YQUegKUs&t=9s	The resource provides audio visual summary of the concept of Provisions and Contingencies.	Concept, recognition, measurement, accounting treatment and disclosure of Provisions and Contingencies.
Summary of IAS 37 Provisions, Contingent Liabilities and Contingent Assets: https://www.cpdbox.com/ias-37-provisions-contingent-liabilities-contingent-assets/	The resource provides summary of the concept of Provisions and Contingencies	Concept, recognition, measurement, accounting treatment and disclosure of Investment Property.
How to account for Provisions – Practical questions: https://www.cpdbox.com/ias37-examples/	The resource provides some practical solutions to problems.	Practical solutions.

6. Accounting for Equity Shares and Debt Finance

Many business entities continuously depend on the borrowed funds either from banks or other money lenders to finance their business activities. If a business has surplus cash, it might decide to invest in corporate bonds, commercial papers and other loans and notes, as well as invest in fixed term deposits with commercial banks. The chapter deals with the important concepts on financial instruments, financial assets and financial liabilities. And accordingly, illustrate the accounting methods for these types of assets and liabilities in line with the accounting standards.

Competency

Explain shares capital and debt finance, state their purposes of maintaining proper ratio as a source of capital for a business, show the accounting treatment in the books and present them in the financial statement.

Scope: This topic includes equity and debt finance.

Learning Objectives:

- Explain the concept of equity capital and characteristics of equity shares.
- Differentiate between equity shares and preference shares.
- Explain the concept of debt finance and characteristics of debt securities.
- Differentiate between equity and debt securities.
- Discuss the advantages and disadvantages of debt finance.
- Record and report equity and debt capital transactions.

Learning experiences

- i. **Topic:** *Concept of equity capital, characteristics and differentiate between equity shares and preference shares.*

- a. Introduce the concept of equity capital. Refer the link <https://www.yourarticlelibrary.com/financial-management/equity-shares-meaning-features-advantages-and-disadvantages/43828> to understand the characteristics and advantages and disadvantages of equity shares.
- b. Introduce the concept of preference shares. Refer the link <https://corporatefinanceinstitute.com/resources/knowledge/finance/preferred-shares/> to understand the characteristics and advantages of preference shares.
- c. **Learning activity:** Ask learners to differentiate between equity shares and preference shares.
- d. Introduce the components of equity capital (reserves and retained earnings) and dividends. Learners should know the accounting treatment of dividend declared, dividend paid and transfer to or from retained earnings to reserves.
- e. Refer XII Accountancy Textbook, p.g. 124 – 129 on the accounting treatment of dividend, retained earnings and reserves.

Assessment

Use the rubrics designed to assess the learning outcome of the learners.

ii. **Topic:** *Recording and reporting of equity capital and preference capital.*

- a. Introduce the concept of equity shares issues at nominal value, receipt of share money on lumpsum and installment. Refer XII Accountancy Textbook, illustration 1, p.g. 120.
- b. Introduce the concept of equity shares issued at market value (more than face value). Refer XII Accountancy Textbook, p.g. 121.
- c. Introduce the concept of bonus shares. Refer the link <https://accounting-simplified.com/financial/share-capital/bonus-issue/> on accounting treatment of bonus shares and refer XII Accountancy Textbook, illustration 2, p.g. 122.
- d. Introduce the concept of rights issue. Refer the link <https://efinancemanagement.com/sources-of-finance/rights-issue-of-shares> on accounting treatment of rights issues and refer XII Accountancy Textbook, illustration 3, p.g. 124.
- e. **Learning Activity:** Design a single question covering up the important aspect of share issued followed by issue of bonus shares and then right shares. Learner should know the accounting treatment and how the financial statement will be affected.
- f. Refer XII Accountancy Textbook, illustration 6, p.g. 138 to explain the accounting treatment of over subscription.

- g. Refer XII Accountancy Textbook, illustration 5, p.g. 134 to explain the accounting treatment of preference shares.
- h. Learners should be able to differentiate the accounting treatment of equity and redeemable preference shares.

Assessment:

Use the rubrics designed to assess the learning outcome of the learners.

iii. Topic: Concept of debt capital, characteristics, advantages and disadvantages of debt capital and differentiate between equity and debt securities.

- a. Introduce the concept of debt securities. Explain the source of finance for the company (long-term and short term).
- b. Refer the link
<https://corporatefinanceinstitute.com/resources/knowledge/credit/debt-security/> to understand the characteristics of debt securities and differentiate between debt and equity securities.

- c. **Learning Activity:** Learners can refer any two financial statements of a listed company. The following question can be used to assess the understanding of the learners (written or oral):

Identify the major source of capital from the financial statement.

What can be the advantage of opting debt financing over equity financing?

Assessment:

Use question answer tool to assess the understanding of the learners.

iv. Topic: Recording and reporting of debt capital.

- a. Introduce the concept of bonds issued at par. Refer XII Accountancy Textbook, illustration 10, p.g. 143 to explain the accounting treatment of bonds issued at par.
- b. Introduce the concept of bonds issued at discount. Refer XII Accountancy Textbook, illustration 11, p.g. 145 to explain the accounting treatment of bonds issued at discount.
- c. Introduce the concept of bonds issued at premium. Refer XII Accountancy Textbook, illustration 8, p.g. 147 to explain the accounting treatment of bonds issued at premium.
- d. Introduce the concept of treasury bills and commercial papers. Refer the link
<https://www.desjardins.com/ca/co-opme/action-plans-tips/savings-investment/treasury-bills-money-market-securities/index.jsp> to understand the concept of treasury bills and commercial papers.

- e. **Learning Activity:** Design a question focusing on issue of bonds, recording of interest expense on bonds, payment of interest expense and redemption of bonds.

Questions

KCT Company acquired 10,000 equity shares of LNT Company at Nu. 20 per share in April 2020. These shares were traded at Nu. 23 on the stock exchange in December 2020 and KCT Company measured the shares on 29 December 2020 when the company was finalizing its accounts for 2020. It cost KCT Company Nu. 5,000 as acquisition cost. Show the accounting treatment in the book of KCT company.

Assessment and Reporting

Use the rubrics designed to assess the learning outcome of the learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
Equity shares: https://www.yourarticlelibrary.com/financial-management/equity-shares-meaning-features-advantages-and-disadvantages/43828	The resource provides features, advantages and disadvantages of equity shares.	Concept of equity shares
Preference share: https://corporatefinanceinstitute.com/resources/knowledge/finance/preferred-shares/	The resource provides meaning, characteristics and advantages of preference shares.	Concept of preference shares.
Bonus shares: https://accounting-simplified.com/financial/share-capital/bonus-issue/	The resource provides on the accounting treatment of bonus shares	Treatment of equity shares
Rights issue: https://efinancemanagement.com/sources-of-finance/rights-issue-of-shares	The resource provides on the accounting treatment of rights issue	Treatment of equity shares

Debt securities: https://corporatefinanceinstitute.com/resources/knowledge/credit/debt-security/	The resource provides meaning and characteristics of debt securities.	Concept of debt securities.
IAS 7 – Statement of cash flow https://www.desjardins.com/ca/co-opme/action-plans-tips/savings-investment/treasury-bills-money-market-securities/index.jsp	The resource provides concept of treasury bills and commercial paper.	Concept of debt securities.

7. Accounting for Partnership firm

A partnership business is a business owned by more than one person carried out with the motive to earn profit. Each partner holds the power to legally bind all other partners by his or her actions in the interest of the partnership and is liable for all partnership debts up to the extent of personal assets.

Competency

Prepare profit and loss appropriation accounts by differentiating expenses which are charge against profit and appropriation, and prepare partners' capital accounts to know the amount of their share in the business firm.

Scope: This topic includes preparation of profit and loss appropriation account and partners capital account for appropriation of profits amongst the partners.

Learning Objectives:

- Explain the meaning of partnership business and partnership agreement.
- Allocate salary, profit/loss, interest on drawing and interest on capital in the appropriation account.
- Prepare statement of partner's capital.

Learning experiences:

- Use the URL Link provided below to teach the concepts of partnership business.
<https://www.youtube.com/watch?v=omKx8PTuyF4>
- Explain the meaning of partnership business and its agreement with an example.
- Also, use the link to learn more about the partnership business:
http://www.pearsoned.ca/highered/divisions/virtual_tours/lee/sample.pdf to supplement the content given in the text book.
- Demonstrate the treatment of salary, profits/loss, interest on drawing and interest on capital in the appropriation account and statement of capital.
- Prepare the appropriation account and statement of partner's capital by referring illustration 1 from page no.160 of the textbook.
- Allow learners to solve case study 1 from page no.174-175 and let them to present in a class.
- To provide practical learning experience to the learners, develop a learning activity. Activity based learning and guided learning strategies may be used for executing the activity.
 - ❖ Divide learners into groups (depending upon classroom size)
 - ❖ The group must form partnership business (They must prepare partnership deed).

- ❖ Assuming that a business has been undertaken for a year, develop case study on it and prepare profit and loss appropriation account and statement of partners' capital (*use spreadsheet to prepare books of accounts*).
- ❖ Make group presentation.
- ❖ Assign exercise questions 1, 2 and 3 from page no.171-173 as follow-up activity

Questions

On 1st January 2018, A and B with Nu.10,000 each as capital agreed to share remaining profits and losses in the ratio of 3:2 after allocation of salary and interest. During the year ending 31st December 2018, they earned net profit of Nu. 200,000. On 1st July 2018, A withdrew Nu. 20,000 and B withdrew Nu. 10,000 from the business for personal use. The partnership deed provides that:

- i* interest on capital to be allowed at 10% p.a.,
- ii* interest on drawing to be charged at 10% p.a. using simple interest method, and
- iii* salary of Nu. 5,000 p.m. to be paid to Mr A and Nu. 6,000 p.m. to be paid to Mr B.

Assessment and Reporting

Use Question and answer technique to assess their learning. Rubric also may be used for assessing the activities.

Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Partnership & Features https://www.youtube.com/watch?v=omKx8PTuyF4	➤ Introduction to partnership form of business and its features.	➤ Meaning, features, & partnership agreement.

Partnership business http://www.pearsoned.ca/highered/divisions/virtual_tours/lee/sample.pdf	➤ More literature on partnership business	➤ Meaning, features, allocation of salary, interest on capital and distribution of profits and loss.
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8. Financial Statements of a Limited Company

Financial statements of an entity are a primary source of information to many investment decision makers and regulatory authorities. The management of an entity must therefore engage professional skills and knowledge to prepare financial statements and to ensure that financial statements present true and fair view of the entity's financial performance and the financial position. The preparation and presentation of financial statements is a part of

financial reporting of the entity. *BAS1 Presentation of Financial Statements* provides essential guidelines to entities who prepare financial statements to the external users.

Competency

Apply accounting standards (BAS 1) and prepare a complete set of financial statements of a limited company for presentation to the stakeholders and user of accounting information.

Scope: This topic includes the preparation of financial statement for a company.

Learning Objectives:

- Explain the purpose of adjusting entries.
- Explain the concept of financial statements and company's annual report.
- Prepare financial statements including notes.
- Use spreadsheet to prepare financial statements.

Learning Experiences:

- i. **Topic:** *Purpose of preparing adjusted trial balance.*
 - a. Revisit the concept of journal, ledger and trial balance. Learners should have prior knowledge on recording, classifying and summarizing of accounting information.
 - b. Introduce the concept of adjusted trial balance.
 - c. Prepare adjusted trial balance with the help of unadjusted trial balance by making adjustments for accrual, deferral and estimation (depreciation). Refer the link; <https://courses.lumenlearning.com/sac-finaccounting/chapter/journalizing-and-posting-adjusting-entries-2/> for further learning. Develop a worksheet and distribute to learners.
 - d. **Learning Activity 1:** Use the spreadsheet in order to prepare adjusted trial balance. Learners should use functions and referencing when using spreadsheets.
 - e. **Learning Activity 2:** Invite expertise to the class to talk on the importance of preparing financial statements and reporting it on true and fair basis. Learners can then write reflective journal.

Assessment: Use the rubrics designed for assessing the spreadsheet in Learning Activity 1 and Likert scale for assessing Learning Activity 2.

ii. **Topic:** *Concept of financial statements and company's annual report.*

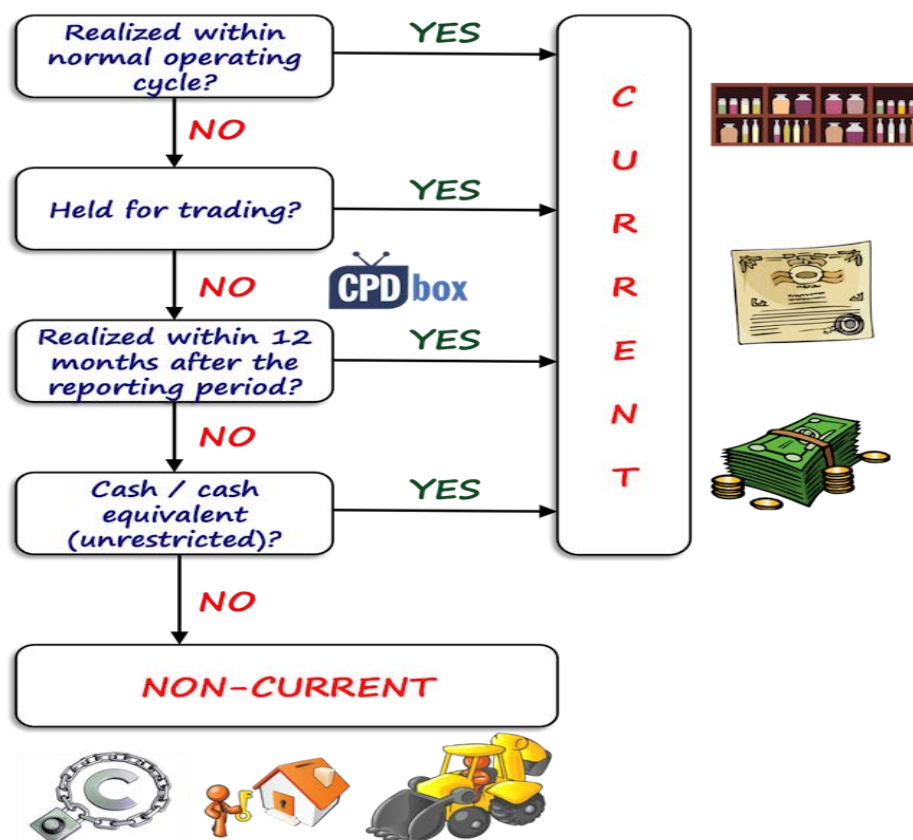
- a. Introduce the concept of financial statements.
- b. Before preparing financial statements, learner should know the conceptual framework for the financial reporting which has been discussed in XI. Refer the link; <https://www.cpdbox.com/ifrs-conceptual-framework-2018/> to understand the objectives and concepts for general purpose financial reporting. The learners can further refer BAS1 or refer the link; <https://www.cpdbox.com/ias-1-presentation-of-financial-statements/> which provides summary of IAS1- presentation of financial statements. For audio visual, learners can refer the link; <https://www.youtube.com/watch?v=Q1m76iMIepU>
- c. Use annual report of any listed companies to explain the meaning of company's annual report.
- d. **Learning Activity:** Learners may visit bank and any other financial institution to study the annual report of the financial institutions. Teacher may ask learners to write a report on their experiences.

Assessment: Use the rubrics designed for assessing the report writing. Assessment can be in the form of grading (marks) or without grading.

iii. **Topic:** *Prepare income statement and Statement of financial position including notes with the help of spreadsheets.*

- a. Revisit the adjusted trial balance prepared under Learning objective (i) (c). Introduce the concept of income statement. In order to prepare income statement from the adjusted trial balance, learners should know the concept of expenses and income. Revisit the definition of expenses and income with some few examples.
- b. After learners are equipped with the concept of expense and income, learners should know how to classify expenses in income statement. Learners may adopt expenses by nature or expenses by function method. Refer the link; <https://www.cpdbox.com/029-classification-expenses-in-profit-or-loss-ifrs/> to further understand the importance of classifying expenses.
- c. Use the adjusted trial balance – Learning objective (i) (c) to prepare income statement manually as well as using spreadsheets along with the notes.
- d. **Learning Activity 1:** Using the adjusted trial balance prepared before as an activity – Learning objective (i) (d), learners will prepare income statement manually and by using spreadsheets.

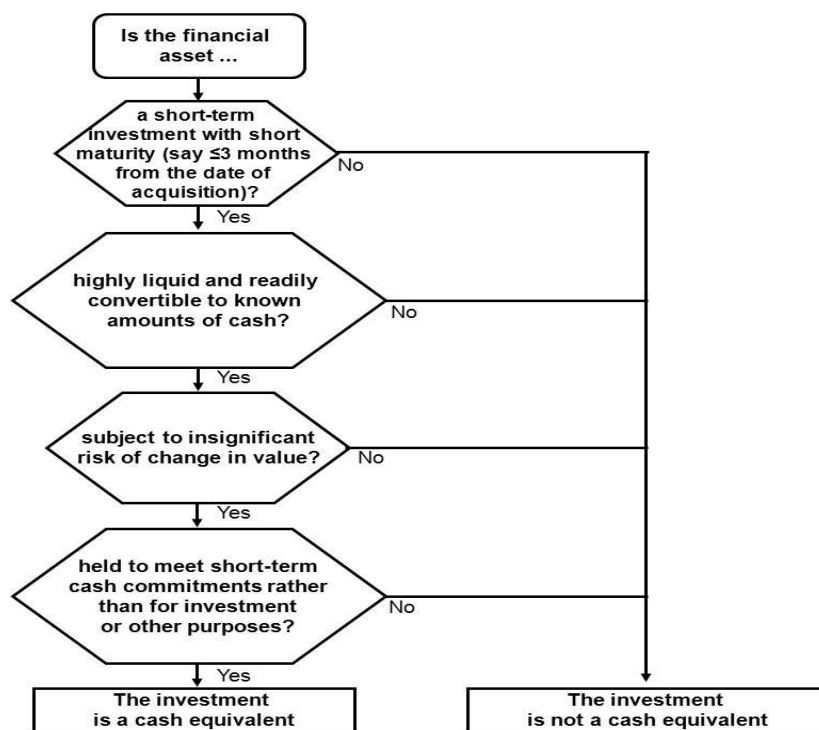
- e. Introduce the concept of statement of financial position. Revisit the definition and types of assets, liabilities and equity.
- f. Refer the link; <https://www.cpdbox.com/current-non-current-ias-1/> to understand the concept of current and non-current OR use the following decision tree to classify the item of statement of financial position as current or non-current;



- g. **Learning Activity 2:** Learners may be provided with list of items to classify as assets, liabilities or equity. If the learners identify it as an assets, the learners has to further classify asset as current or non-current.
- h. Use the adjusted trial balance – Learning objective (i) (c) to prepare statement of financial position manually as well as using spreadsheets along with the notes.
- i. **Learning Activity 3:** Using the adjusted trial balance prepared before as an activity – Learning objective (i) (d), learners will prepare statement of financial position manually and by using spreadsheets.

Assessment: Use the rating scale to assess the Learning Activity 2 and rubrics for assessing the spreadsheet for Learning Activity 1 and 3.

- iv. **Topics:** Statement of changes in equity and Statement of cash flow including notes with the help of spreadsheets.
- Introduce the concept of statement of changes in equity. Explain the components that appears under statement of changes in equity.
 - Use the adjusted trial balance – Learning objective (i) (c) to prepare statement of changes in equity manually as well as using spreadsheets along with the notes – teacher may add some adjustments. Refer XII Accountancy Textbook, illustration 7, p.g. 218 to further understand preparation of statement of changes in equity.
 - Introduce the concept of cash flow statement. Explain the term cash and cash equivalent, operating activities, investing activities and financing activities. Refer the link; <https://www.cpdbox.com/ias-7-statement-cash-flows/> for better understanding. For audio visual refer the link; <https://www.youtube.com/watch?v=AXZmII7XUj0>.
 - Learners can refer the following decision tree to classify the item as cash and cash equivalent;



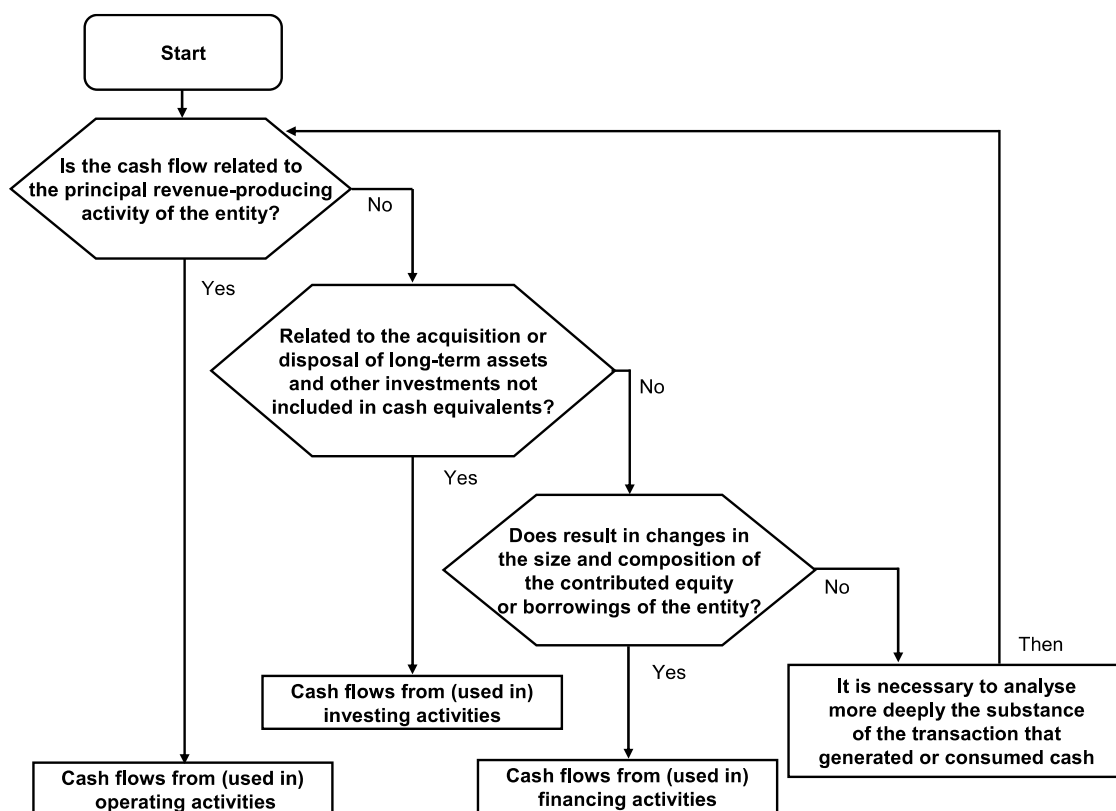
Source:

http://www.focusifrs.com/content/download/6521/34148/version/1/file/Module_7_version2011_1_Cash_Flows.pdf

- Discuss the treatment of interest and dividends, taxes on income and bank overdrafts when preparing Cash Flow Statement. Use the following table to summarize the treatment of above items:

Interest and Dividend	Interest and Dividends received can be classified as Operating Activities or Investing Activities.	Interest and Dividends paid can be classified as Operating Activities or Financing Activities.
Taxes on Income	Cash flows arising from income taxes are usually classified as cash flows from Operating Activities.	Can be reported under Financing or Investing Activities if it can be specifically identified.
Bank Overdraft	Classified under Financing Activities.	Classified as Cash and Cash Equivalent if it is repayable on demand and forms integral part of an entity's cash management.

- f. Refer the link; <https://www.cpdbox.com/how-to-prepare-statement-of-cash-flows-in-7-steps/> explaining the steps required when preparing cash flow statement.
- g. For spreadsheet, refer the link; <https://www.cpdbox.com/lecture-4-make-statement-cash-flows-step-step/> to download cashflow statement template.
- h. Design Statement of Financial Position for two years along with Income statement (including adjustments) to demonstrate the preparation of cash flow statement. Cash flow should be prepared manually and using spreadsheets. Learners can use the following decision tree to classify cash flows among different activities;



Source:

http://www.focusifrs.com/content/download/6521/34148/version/1/file/Module_7_version2011_1_Cash_Flows.pdf

- i. **Learning Activity 1:** Learners can be provided with income statement and statement of financial position for two years to prepare statement of cash flow manually and by using spreadsheets.
- j. **Learning Activity 2:** Arrange a field visit to any of the listed companies under locality. Learners can see and learn how financial statements are prepared and then report the same to entire class.
- k. Refer the link; <https://magnimetrics.com/trial-balance-mapping-for-financial-reports/> to download excel template for adjusted trail balance, income statement and statement of financial position.

Assessment: Use the rubrics designed for assessing the spreadsheet and report writing and presentation skills.

For question refer textbook page 217 - 220

Resources:

Title & URL Resources	Description of Resource	Core Concepts
Classes and types of adjusting entries: https://courses.lumenlearning.com/sac-finaccounting/chapter/journalizing-and-posting-adjusting-entries-2/	The resource provides adjusting entries required for preparation of adjusted trial balance.	Concept and preparation of adjusted trial balance.
Conceptual Framework for the financial reporting 2018 : https://www.cpdbox.com/ifrs-conceptual-framework-2018	The resource provides objectives and concepts required for reporting purpose.	Concept and objectives for reporting financial statements.
IAS1-Presentation of financial statements: https://www.cpdbox.com/ias-1-presentation-of-financial-statements/	The resource provides guidelines and reporting of financial statements.	Guidelines and requirement for the presentation of financial statements.
IAS1-Presentation of financial statements: https://www.youtube.com/watch?v=Q1m76iMIepU	The resource provides audio visual guidelines and reporting of financial statements.	Guidelines and requirement for the presentation of financial statements.
How to classify expenses in income statement under IFRS? https://www.cpdbox.com/029-classification-expenses-in-profit-or-loss-ifrs/	The resource provides classifying expenses by nature and function when preparing income statement.	Preparation of income statement.
Current or Non-current? https://www.cpdbox.com/current-non-current-ias-1/	The resource provides distinguishing between current and non-current when preparing statement of financial position.	Preparation of statement of financial position.
IAS 7 – Statement of cash flow https://www.cpdbox.com/ias-7-statement-cash-flows/	The resource provides concepts on preparation of cash flow statement.	Concept on preparation of cash flow statement.
IAS 7 – Statement of cash flow https://www.youtube.com/watch?v=AXZmII7XUj0	The resource provides audio visual concept on preparation of cash flow statement.	Concept on preparation of cash flow statement.

How to prepare statement of cash flow in 7 steps: https://www.cpdbox.com/how-to-prepare-statement-of-cash-flows-in-7-steps/	The resource provides steps on preparation of cash flow statement.	Preparation of cash flow statement.
How to make cash flow statement: https://www.cpdbox.com/lecture-4-make-statement-cash-flows-step-step/	The resource provides excel template of cash flow statement.	Using spreadsheets to prepare cash flow statement.
Trial balance mapping for financial statements: https://magnimetrics.com/trial-balance-mapping-for-financial-reports/	The resource provides excel template of financial statements.	Using spreadsheets to prepare financial statement.
Module 7: http://www.focusifrs.com/content/download/6521/34148/version/1/file/Module_7_version2011_1_Cash_Flows.pdf	The resource provides in depth information on cash flow statement.	Concept, Preparation and Reporting of Cash Flow Statement.

9. Analysis and Interpretation of Financial Statements

Financial statement analysis is an application of commercial sense with some financial tools to financial statements of an entity to obtain some valid information which can be used to make business or investment decision. Financial statements analysis performed by management is basically to gather management information that is used to make internal management decision. Conversely, external investors and other analysts perform financial statement analysis of an entity to assess the potential return from investment and the risk associated in the investments. The current and the potential investors assess both short-

term as well as long-term liquidity position of the entity to ensure that they receive a fair return on their investment.

Competency

Analyse and interpret financial data using accounting ratios, present information in the form of graph and charts, and provide recommendations to the management on the financial health of a business firm.

Scope: Preparation of common size financial statement, and computation and interpretation of ratios.

Learning Objectives:

- Explain the need to analyse and interpret financial statements.
- Perform basic financial statement analysis using trend and ratio analysis.
- Calculate accounting ratios provide basic interpretations of these ratios.
- Discuss the limitations of accounting ratios.
- Perform basic common size analysis of income statement, financial position and cash flows.
- Use spreadsheet to perform analysis

Learning experiences:

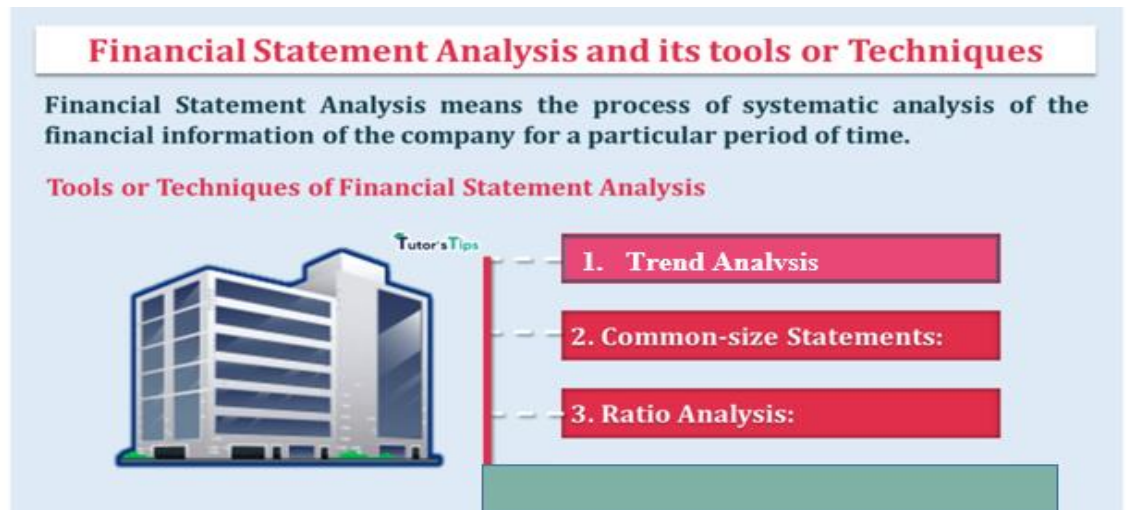
Topics:

- ✓ *Needs and purpose of Financial Statement Analysis*
- ✓ *Perform basic financial statement analysis using trend analysis*

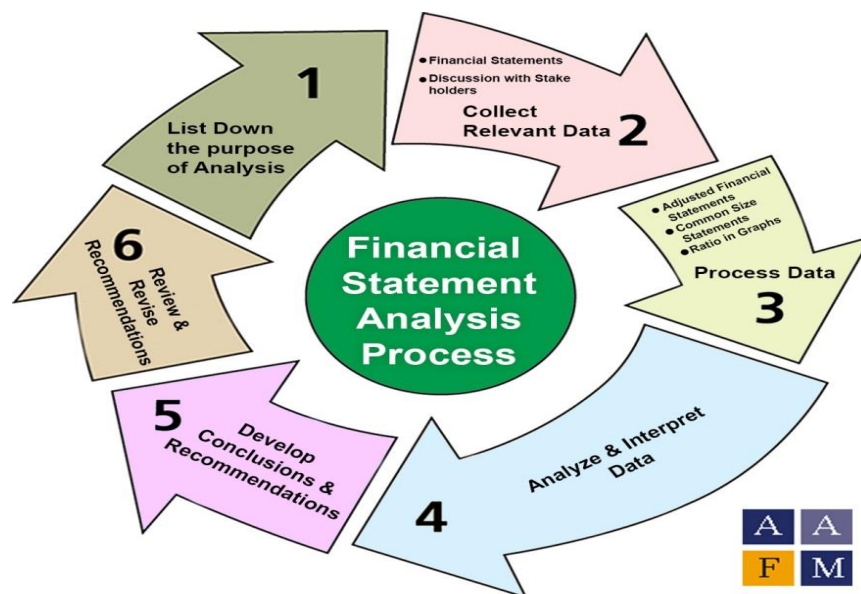
To proceed with the lessons of the chapter, adequate and comprehensive knowledge on preparation and presentation of various components of financial statement is required. It is necessary to recall the concept of financial statements of limited company from the chapter 8.

- Use the following link to introduce the need and the purpose to analyse and interpret financial statements.: <https://www.youtube.com/watch?v=pgrV-INYouc>
- Let learners to take note from the above audio visual lesson.

- Use the following picture to summarize the concept of Financial Statement Analysis tools;



- Use the following Flow chart to analyze financial statement:



- Use following link to introduce Trend analysis:
<https://www.youtube.com/watch?v=wP5B-0CBYvc> . For more understanding use following Picture.

TREND ANALYSIS

MEANING

It is statistical tool that helps to determine future movements of a variable on the basis of its historical trends.

There is no specific amount of time for a movement to become a trend.

STOCK ANALYSIS

- This technique is used to determine the future movement of a stock on the basis of past performance
- It is to locate potential investment opportunities.

TYPES

- Uptrend : Here financial markets and assets move in upward directions
- Downtrend : Here financial markets and assets prices move downwards.
- Sideways : Asset price does not move in any direction.

COMMON TREND ANALYS.

- Moving Averages
- Trendlines and Chart Pattern
- Momentum indicators

:: DISADVANTAGES ::

One of the major disadvantage is that it is not 100% accurate.

- Use example from text book page no. 232 to demonstrate to determine variances and percentage change to draw trend analysis with the help of spreadsheet.
- Design a learning activity using activity based learning:
 - ❖ Divide learners into groups (depending upon size of the class)
 - ❖ Let learners access annual report of various companies or browse from the internet and determine variances and percentage change to draw trend analysis with the help of spreadsheet.
 - ❖ Provide guidance in the process of group discussions and generating solutions.
 - ❖ Present their trend analysis and interpretation to the class.

Assessment:

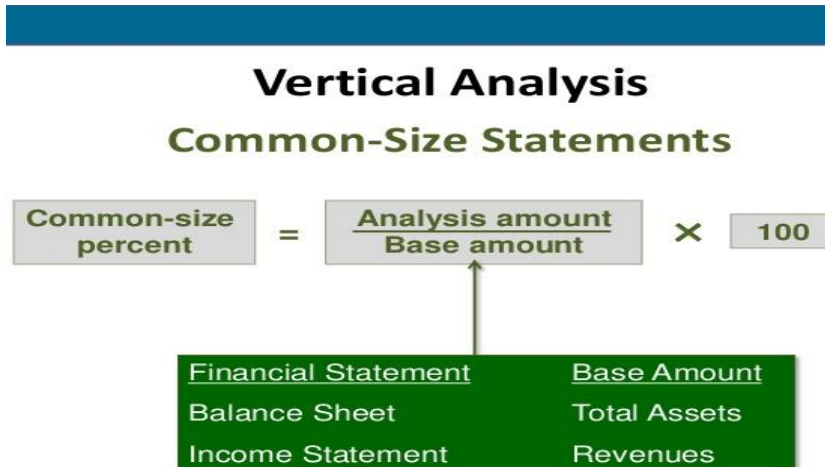
- Performance based rubrics with or without grading can be used to access the learning outcomes of the activity assigned.

Topics:

- ✓ Perform basic common size analysis of income statement, financial position and cash flows.

Teaching strategies such as demonstrative learning method, guided learning method and activity-based learning method can be used to deliver the lessons under the topic.

- Use following link to introduce the concept of common size financial statement analysis;
<https://www.youtube.com/watch?v=9kFRVt15svM>
- Following picture depicts the formula to calculate common statement analysis.



- For more understanding use following link;
<https://corporatefinanceinstitute.com/resources/knowledge/finance/common-size-analysis/>
- Use any of the company's annual report to prepare common size income statement and common size statement of financial with the help of spreadsheet.
- Use activity based learning strategy to prepare common size income statement and statement of financial position, and interpretations.
- ❖ Divide learners into groups (depending upon size of the class)
- ❖ Provide annual report of companies or browse from the internet and prepare common size income statement and common size financial position statement (Balance sheet) with the help of spreadsheet.
- ❖ Let the learners present their finding to the class

Topics:

- ✓ Perform basic financial statement analysis using ratio analysis.
- ✓ Calculate accounting ratios provide basic interpretations of these ratios.

- ✓ Perform basic financial statement analysis using Cash flow statement.
- ✓ Discuss the limitations of accounting ratios.

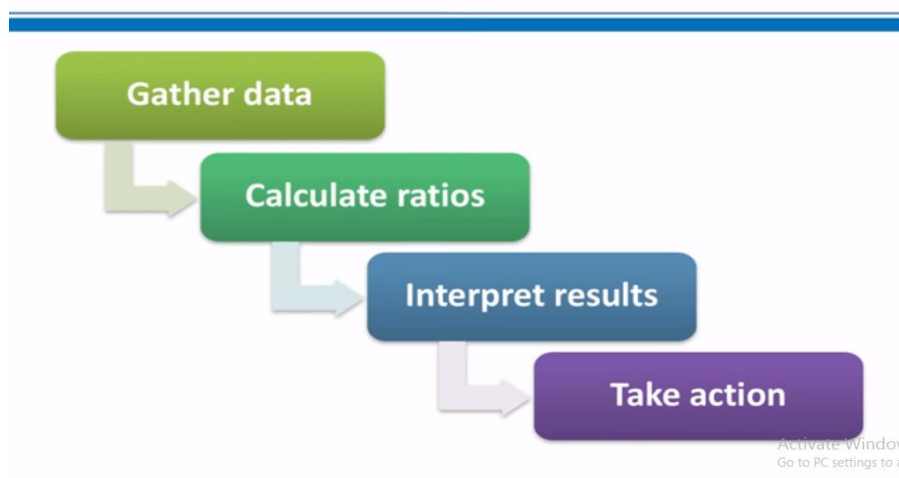
The teacher may deliver the lesson by adopting Demonstrative Learning method, Guided Learning method and Activity based learning method.

- Use following link to introduce ratio analysis:

<https://www.youtube.com/watch?v=GoKIZqSFMIE>

- Follow the key stages to find ratio analysis given below:

Key Stages in Ratio Analysis



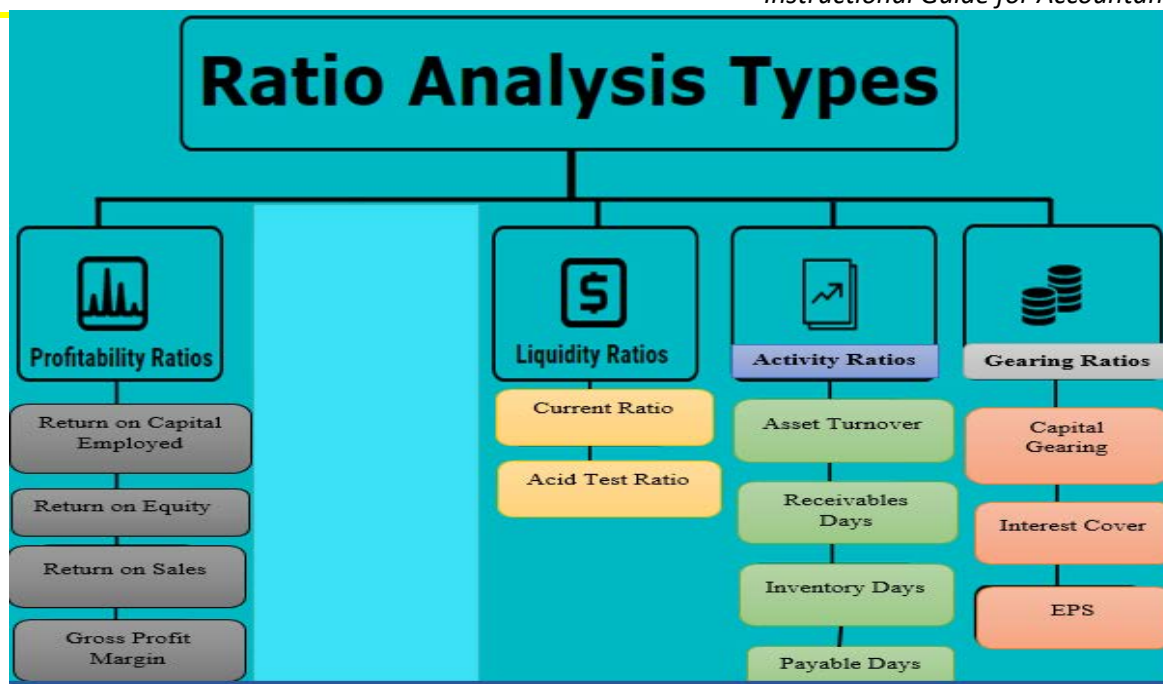
- Learning activity: (Pair work)

- ❖ Divide ratio analysis topic
- ❖ Instruct learners to browse annual report of various companies from the internet and ascertain ratios on given topic and interpret on it.
- ❖ Guide learners while having group discussions.
- ❖ Learners to present their ratio analysis and interpretation on it in a class.

- Learners can use the following link to solve above task:

- Profitability ratio <https://www.youtube.com/watch?v=ROqkmlVuXKU>
- Return on Capital employed https://www.youtube.com/watch?v=wrk_XZJYXy4
- Liquidity ratio <https://www.youtube.com/watch?v=BCaoQNkeoy0>
- Activity ratio <https://www.youtube.com/watch?v=dY4wX-7-dtI>
- Gearing ratio <https://www.youtube.com/watch?v=nwrutKvKE98>

- Use the following figure to summarize Ratio Analysis:



- Recall the cash flow statement from the chapter 8
- Introduce the cash flow statement analysis by use of following link:
<https://www.youtube.com/watch?v=-J-hz9GCVUU>
- Solve practical questions from textbook and other relevant sources. Refer 2020 BHSEC XII Accountancy paper.

Assessment and Reporting

- Question and answer, check list, performance based rubrics with or without grading can be used to assess the learning progress.

For chapter end question refer textbook from page 240 - 242

Resources:

Title & URL Resources	Description of Resource	Core Concepts
Purpose of Financial Analysis https://www.youtube.com/watch?v=pgrV-INYouc	Provides audio visual of needs and purpose of financial statement analysis	Needs and purpose, and users of analysis

Trend Analysis https://www.youtube.com/watch?v=wP5B-0CBYvc	The resource provides audio visual concept of Trend Analysis.	Concept, Formula and preparation of Trend analysis.
Common Size Analysis https://www.youtube.com/watch?v=9kFRVt15svM	Provides audio visual concept of Common Size Analysis.	Concept, Preparation and Interpretation of common size analysis
Common Size Analysis https://corporatefinanceinstitute.com/resources/knowledge/finance/common-size-analysis/	Provides basic concepts on common size analysis	Concept of common size analysis, Common size balance sheet (Financial position statement) and common size income statement..
Ratio Analysis https://www.youtube.com/watch?v=GoKIZqSFMIE	Provides audio visual concepts on ratio analysis	Concept, source of data to ascertains ratios, key stages of ratio analysis and types of ratio analysis.
Profitability ratio https://www.youtube.com/watch?v=ROqkmlVuXKU	Provides audio visual summary concepts of Profitability ratio.	Concept and types of profitability ratio.
Return on Capital employed https://www.youtube.com/watch?v=wrk_XZJYXy4	Provides audio visual concepts of return on capital employed	Concept of capital employed
Liquidity ratio https://www.youtube.com/watch?v=BCaoQNkeoy0	Provides audio visual summary concepts of liquidity ratio.	Concept and types of liquidity ratio
Activity ratio https://www.youtube.com/watch?v=dY4wX-7-dtI	Provides audio visual summary concepts of Activity ratio	Concept and types of Activity ratio
Gearing ratio https://www.youtube.com/watch?v=nwirutKvKE98	Provides audio visual summary concepts of Gearing ratio	Concept and types of Gearing ratio

10. Stores Ledger

Stores Ledger is the subsidiary ledger which is maintained by cost department. A separate account is opened for each item of materials in the store to record both the quantity and cost of materials received, issued, returned, and balances in hand.

Competency

Maintain a stores ledger based on periodic and perpetual inventory valuation methods for a business firm to ensure that goods are properly valued and recoded in the store's books.

Scope: Concept of costs and preparation of stores ledger based on FIFO and weighted average methods.

Learning Objectives:

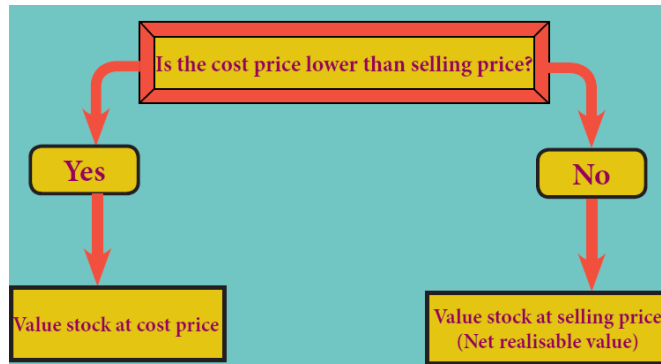
- i. Explain the meaning of Inventory and Stores Ledger
- ii. Differentiate Periodic from Perpetual System of Stock Verification
- iii. Prepare store ledger using First-In-First-Out Method and weighted average method of stock valuation
- iv. Use spreadsheet to prepare stores ledger

Learning experiences:



i. Topics:

- ✓ *Concept of Inventory and stores ledger*
- ✓ *Differentiate Periodic from Perpetual System of Stock Verification*
- Use the following link to understand the concept of Inventory, measurement and accounting treatment:
<https://www.youtube.com/watch?v=hYmeQYuhS2E>
- Read more about inventories and its measurement refer the following links
<https://www.iasplus.com/en/standards/ias/ias2>

- Use following figure to determine the inventory valuation.



- Solve Learning Activity 2 from textbook page no.323 & 324 to ascertain valuation of inventory.
- Use following Link to Introduce the concept of inventory management system:
<https://study.com/academy/lesson/perpetual-and-periodic-inventory-systems.html>
- Provide differences between Periodic inventory and Perpetual Inventory system.

Periodic inventory system	Perpetual inventory system
	
<p>Periodic inventory is a way of managing stock that relies entirely on stock taking. Businesses with a periodic system count their stock regularly — say, every 3 to 6 months — to verify stock accuracy, checking whether stock levels match up to sales figures.</p>	<p>Perpetual inventory is a system that involves tracking stock levels as goods are receipted, produced, sold, or returned to the store. Perpetual inventory systems tend to deliver the most up-to-date inventory figures, with less dependence on stock takes for accuracy.</p>








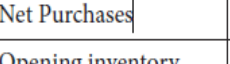
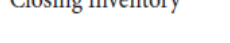
ii. Topics

- ✓ First-In-First-Out method and weighted average method of stock valuation

✓ Preparation of stores ledger

Case-based learning method or Activity based learning method may be suggested to deliver the lessons:

- Introduce the concept of First In First Out (FIFO), refer following link
<https://www.investopedia.com/terms/f/fifo.asp>
- Solve practical questions from textbook and other relevant sources with the use of spreadsheet. Design the FIFO inventory valuation in Spreadsheet.
- Introduce the measurement concept of Weighted Average Price Method, refer link:
<https://corporatefinanceinstitute.com/resources/knowledge/accounting/weighted-average-cost-method/> for more understanding.
- Solve practical questions from textbook and other relevant sources with the use of spreadsheet. Design the Weighted Average Method inventory valuation in Spreadsheet.
- Use the following figure to summarize accounting treatment for FIFO and Weighted Average Price Method

	Opening inventory	Goods Available	Closing Inventory
First In First Out			
	 Net Purchases		
Weighted Average Price Method			
	 Net Purchases		
			 Cost of Goods Issued

- Use following link to Summarize the topic: <https://htkacademy.com/ias-2-inventories/#>

Question

Dechen Bakery supplies 'Birthday Cakes' which are delivered to its customers. The business uses the first in first out (FIFO) method for valuing its inventories. As an accountant, you are required to complete the following Stores Ledger Account for the month of May 2017. The following additional information is given.

1. a) Issued on 12th May, 2017 = 700 kg
2. b) Issued on 20th May, 2017 = 1,200 kg

Assessment and Reporting:

Performance based rubrics with or without grading can be used to assess the learning outcomes of the activities assigned.

1. Resources

Title & URL Resources	Description of Resource	Core Concepts
1. Stores ledger https://www.youtube.com/watch?v=KER8SGHzpYg	The resource provides audio visual concept of stores ledger	Concept and its types on Store ledger
2. Inventories https://www.youtube.com/watch?v=hYmeQYuhS2E	The resource provides audio visual summary of inventories	Concept, measurement, Cost formulae and journal entries for sale of inventories.
3. Inventories https://www.iasplus.com/en/standards/ias/ias2	The resource provides summary of the concept of inventories	Concept, measurement, Expenses recognition and disclosure of inventories
4. Inventory system https://study.com/academy/lesson/perpetual-and-periodic-inventory-systems.html	The resource provides audio visual summary of Inventory system.	Concept inventory, system, Periodic and perpetual system.
5. FIFO https://www.investopedia.com/terms/f/fifo.asp	The resource provides concept of FIFO method	Concept of FIFO method and its example
6. Weighted Average Price	The resource provides concept of Weighted Average Price method	Concept of Weighted Average Method and Formula to calculate WAC.

https://corporatefinanceinstitute.com/resources/knowledge/accounting/weighted-average-cost-method/		
7. Summary Inventories https://htkacademy.com/ias-2-inventories/#	The resource provides summary of inventories	Inventories

11. Budgeting Process

The success of business depends on its ability to visualize the future specifying the desired goals and determining the amount of resources required for achieving those goals. In the complex and competitive business environment, the survival and success of the business requires proper budgeting. Managers should be able to predict the factors affecting their business with reasonable precision along with problem solving, organizational and monitoring skills required to meet the challenges business might face with the change in future conditions.

Competency

Prepare cash budget to achieve sales forecast of a business firm and advice management on significant issues or benefits arising from the budgetary control.

Scope: Concept of budget and preparation of cash budget.

Learning Objectives:

- Explain the meaning of budget and master budget.
- Prepare cash budget.
- Identify ethical issues in budgeting.

Learning experiences

Teaching strategies such as activity based learning, case based learning and demonstration method are suggested to be used for delivering the lessons under this chapter.

- i. **Topic:** *Explain the meaning of budget and master budget.*

Process:

- a. Introduce the concept of budget and master budget.
- b. **Learning Activity:** refer the link; <https://www.weareteachers.com/saving-budgeting-activities/> and choose anyone activity that can be carried out in the class. At the end of the activity, make learners to share their experiences.

Assessment:

Use the rubrics designed to assess the learning outcome of the learners.

- ii. **Topic:** *Preparation of Cash Budget*

- a. Introduce the concept of sales budget, cash collection budget and production budget. Discuss on the factors to be considered when preparing sales budget like sales forecast techniques and marketing research. Refer XII Accountancy Text book, illustration 1 – 3, p,g, 274 – 278 for practical problems.
- b. Introduce the concept of direct material budget, cash payment budget, direct labour budget. Refer XII Accountancy Text book, illustration 4 – 6, p,g, 279 – 280. Explain the meaning of direct cost.
- c. Introduce the concept of factory overhead budget, administration overhead budget and selling overhead budget. Refer XII Accountancy Text book, , p,g, 281 – 282. Discuss on the cost concepts (fixed and variable cost). Learner should know the difference between fixed and variable cost.
- d. Introduce the concept of cash budget. Prepare cash budget using the information of cash collection budget, cash payment budget, direct labour budget, factory overhead budget and office and selling overhead budget. Refer XII Accountancy Text book, illustration 8, p,g, 283.
- e. **Learning Activity:** Design a case study focusing on ethical aspects of budgeting. Learner should know what are acceptable norms when preparing budgeting.
- f. Refer the link; <https://courses.lumenlearning.com/managacct/chapter/master-and-fleible-budgets/> for the summary.

Questions

On March 31, accounts receivable balance amounted to Nu.30,000 which will be collected in full. Jigme Co. follows the following collection pattern for collecting cash on account of sale;

70% collected in the month of sale,
25% collected in the month following sale, 5% is uncollected.

Prepare cash collection budget

Assessment and Reporting:

Use the rubrics designed to assess the learning outcome of the learners.

Resources:

Title & URL Resources	Description of Resource	Core Concepts
Budgeting activities for students: https://www.weareteachers.com/saving-budgeting-activities/	The resource provides some fun learning activity for students.	Concept of budgeting.
Master budget: https://courses.lumenlearning.com/managacct/chapter/master-and-flexible-budgets/	The resource provides preparation of all required budgets.	Preparing of master budget.
Accountancy For Class XII: Royal Education Council; Accountancy For Class XII	The resource provides detail concepts.	Concept of Budgeting.

Annexure

I. Weighting

Class XI

Sl.No.	Chapter	Weighting
1	Conceptual Framework for Accounting	10
2	Accounting Equation	10
3	Journal, Ledger and Trial Balance	15
4	Cash Book	5
5	Bank Reconciliation Statement	5
6	Accounting for Property, Plant and Equipment	15
7	Financial Statements	20

8	Cost Sheet	15
9	Introduction to Management Accounting	5
	Accountancy Practical 20	20
	Continuous Assessment	10
	Total	130

Class XII

Sl.No.	Chapter	Weighting
1	Accounting for Taxation And Business Income Tax	10
2	Accounting for Payroll	5
3	Accounting for Investment Property	10
4	Accounting for Intangible Assets and Government Grants	12
5	Provisions and Contingencies	10
6	Accounting for Equity Shares and Debt Finance	10
7	Accounting for Partnership	5
8	Financial Statements of a Limited Company	18
9	Stores Ledger	5
10	Budget	5
11	Financial Statement Analysis and Interpretation	10
	Accountancy Practical	20
	Continuous Assessment	10
	Total	130

II. Sample Rubrics:

Rubrics for assessing assignment and homework

Criteria	4	3	2	1
Completion	All the assigned tasks are completed	Most of the assigned tasks are completed	Some or part of the tasks are incomplete	A major part of the tasks are incomplete
Timeliness	Submitted on the due date	Submitted one day late	Submitted two days late	Submitted three days late and beyond
Accuracy	All of the answers are correct	Most of the answers are correct	Some of the answers are correct	Few answers are correct and require to redo the task

Neatness	All the answers are presented in orderly manners and neatly	Most of the answers are presented in orderly and neatly	Answers are not presented in orderly and lack neatness	Answers are presented haphazardly and no neatness at all
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Rubrics for assessing classwork

Grade	Descriptors
A	Demonstrated clear understanding of all the concepts studied and 100% of the work is complete and are correct.
B	Most of the concepts are understood clearly and 90% - 80% of the work is completed and is correct.
C	Some concepts are not understood properly and 80% - 70% of the works are completed and some are not correct.
D	Most of the answers are incorrect and only 70% to 60% of the works are only completed.
Redo	Concepts are not understood properly and less than 50% of the works are only completed. Required to redo the task.

Rubrics for assessing case studies

Standards	Outstanding (4)	Very good (3)	Good (2)	Satisfactory (1)
Identification of the issues/problems	Identifies and understands all of the main issues in the case study.	Identifies and understands most of the main issues in the case study	Identifies and understands some of the issues in the case study.	Identifies and understands a few of the issues in the case study.
Analysis of the issues	An insightful and thorough analysis of all the issues.	Analysis of all the issues without thoughtful analysis.	Analysis of two or three issues.	Imperfect and incomplete analysis of the issues.

Comments on effective solutions/strategies (The solution may be in the case already or proposed by you)	Well-documented reasoned, and appropriate comments on solutions, or proposals for solutions, to all issues in the case study.	Appropriate thought-out comments about solutions, or proposals for solutions, to some issues in the case study.	Artificial and inappropriate solutions to most of the issues in the case study.	Little or no action is suggested and inappropriate solutions to all of the issues in the case study.
Research /Reference	Excellent research into issues and clearly documented reasons or arguments.	Good research into issues with some clearly documented links to material read.	Limited research and few documented links to readings.	Incomplete research and links to any readings.

Rubrics for assessing project work

Criteria	4	3	2	1	Total
Content	Content is new, relevant.	Content is not new but relevant.	Content is not new and not so relevant.	Content is not new and relevant.	
Presentation and format	Excellent presentation. The correct format is followed and the report is free of errors	Only one area of format is not correct. The report has a few errors.	Only two aspects of the format are not correct. The report has some errors	Three or more aspect of the format is incorrect. The report	

				has many errors.	
Finding	Finding is supported by the facts and figures. The explanation is made on each fact and figure.	Finding is supported by the facts and figures. Insufficient explanation on each fact and figure.	Finding is not supported by enough facts and figures.	Finding is not supported by facts and figures.	
Research	The research was done on the topic and all ideas are clear and explained.	The research was done on the topic and most ideas are clear and explained.	The research was done and a few ideas are clear and explained.	Research is not done and ideas are not clear and not explained.	
Reference	Five or more references are cited.	Three or four references are cited.	One or two references are cited.	No references.	

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