

A Level Accounting Summer Independent Learning Activity

The SIL this summer consists of **Preview Work** to introduce new topics, prior to Year 13, which is an extension of the ratio analysis work you have done in Year 12. You will find the practice questions in Teams, in the SIL folder. Marks schemes have also been included, so you can check your work.

Preview Work for Year 13 (New content)

3.17 Interpretation, analysis and communication of accounting information

Investor Ratios

The first part of this section of the specification explores how accounting techniques, measures and ratios are used to analyse and interpret accounting information (both financial and management) and the limitations of using financial statement and ratio analysis when assessing business performance.

You have already studied ratios in Year 12, in section 3.8.

Revisit the Ratios Knowledge Mat in Section 3.8.

Open the file, change the heading to the one above, and delete all rows except five.

Now, using the links below as a start, and others from your research, complete the table for the following ratios.

For each you should include the formula, a brief definition, and most important, what the ratio actually means:

- 1) Dividend yield
- 2) Earnings per share
- 3) Dividend cover
- 4) Price earnings
- 5) Interest cover

Save this file, and print it off and bring to your first lesson in September.

Start by learning the formulas and use the following link to get the AQA specification. The formulas are in the appendices on page 33.

<http://filestore.aqa.org.uk/resources/accounting/specifications/AQA-7127-SP-2017.PDF>

For a general introduction use the link below on tutor2u

<https://www.tutor2u.net/business/reference/shareholder-returns>

Tutor2u also has a PowerPoint where dividend yield is explained on pages 5&6

<https://www.tutor2u.net/business/reference/shareholder-ratios-revision-presentation>

The following website uses dollars rather than pounds, but is still useful for the theory

<https://www.myaccountingcourse.com/financial-ratios/dividend-yield>

Dividend cover is explained on the following website

https://moneyterms.co.uk/dividend_cover/

https://moneyterms.co.uk/interest_cover/

https://

The following **key** areas **should be reviewed** in preparation for your first Cedar Assessment.

For each area, review your knowledge, using the knowledge mats and your notes, and attempt the key question(s) highlighted, which can be found in the Teams in the folder **USAC2**

Help sheets, and answers to each of the key questions have also been put into Teams for you to access.

3.2 Business organisations & Sources of Finance

Key question: Ranier Ltd

3.3 Double Entry Book-keeping

Key question (s): Nour/ Matthew

3.4 Verification of Accounting Records

Key question: Yasmin Bukera

3.5 Con /F3ETQ04 reW*nBT/F2 15uS.34595.56 842.04 reW*n/F2 15.96 Tf1 0 0