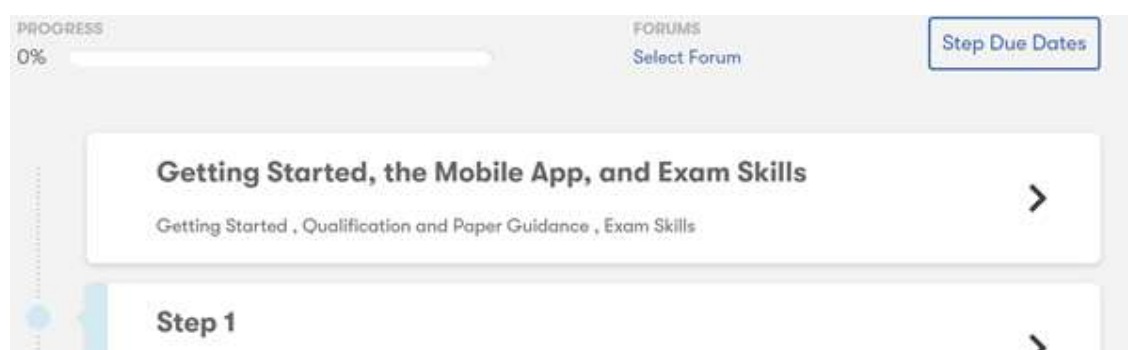


# ACCA FA/ FIA FFA Online Classroom Study Guidance

## Getting started

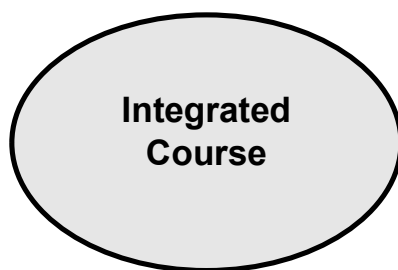
Welcome to your Online Classroom (OCR) Financial Accounting course. If you are new to studying online, before you begin you may find it useful to access the 'Getting Started' guidance above step 1 in the Hub:



## Forums

If you have a question at any point, you can post this to the online classroom forum for this paper, where a tutor will respond.

To access the forums, click the button just above the 'Getting Started' section, as shown in the screenshot above. Even if you don't have a question to ask, it is worth accessing the forum to review the questions asked by other students, as you may find the tutor responses helpful to you.



Financial Accounting is taught through an integrated course. This means that as well as acquiring the knowledge detailed in the syllabus, you will also practise exam-standard questions which will show you how to apply your knowledge and develop your exam technique.



## Resources

The **Hub** contains all the information, documents and videos for your course. The different components of your course are clearly identified so you can easily find them.

The **Workbook** will enable you to gain the core knowledge you need to learn for the exam and begin to develop the skills required to attempt exam questions.

Work through the **online lectures** in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to attempt the activities yourself if you are feeling confident with the content.

The **Practice and Revision Kit** will enable you to practice questions so that you can test your understanding of the material covered in the Workbook.

In addition there are **Assessment In** tests. These questions will give you a feel for the topics you are about to study. If you perform particularly well on an Assessment In test, then it could be you've covered the core knowledge in your previous studies. If so, you could move on to the next chapter. Or if you would prefer to reinforce your understanding, then move onto the detailed syllabus learning explained in the Workbook.

Having studied each Workbook chapter, you should attempt the **Practice and Apply questions** available on the Hub. This will enable you to test and reinforce your knowledge, and help to prepare you for the exam standard questions you will see on the Achievement Ladder steps.

Once you have completed the learning for each step of the course, you will be ready to attempt the relevant step of the achievement ladder. The course is divided into **6 Achievement Ladder Steps** and when you have covered all the chapters in that step, you should take the relevant Achievement Ladder Step. This is explained further in the guidance below.

## ACCA FA/FIA FFA Financial Accounting

### Step 1 Guidance

This guidance gives a total of approximately **4 hours of study\*** for step 1 of the course.

The study time includes some preparation work that you may have covered already. With any additional time you have, focus on ensuring you have understood all the material covered in this step as well as the additional questions to practice.

*\*Note that throughout this guidance, the timings given are approximate and include time to stop and review online lectures and to check your answers for any question practice. You may find that some study sessions take you more or less time than given here. Remember there is no such thing as a 'typical' student so these approximations are an indication only!*

Introduction	30 minutes
<ul style="list-style-type: none"><li>Before diving into the technical detail spend some very useful time looking at the Introduction and ensure you are familiar with the role that your Workbook plays in your learning, the overall aims of the course and the format of the exam.</li><li>Watch the <b>Introduction to F3</b>.</li></ul>	<b>30 minutes</b>

Chapter 1 - Introduction to accounting	60 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>Types of business entities</li><li>Users of financial statements</li></ul> <p><b>Online Lectures</b></p> <p>This chapter introduces the subject of accounting. Questions on this area will most likely focus on the different characteristics of the three types of business entity: sole trader, partnership and limited liability company.</p>	<b>40 minutes</b>
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 2 - The regulatory framework	40 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>International Financial Reporting Standards Foundation</li><li>International Accounting Standards Board</li></ul> <p>This chapter explains the system of regulation which is required to ensure that financial statements are produced to a high standard and are comparable across different companies.</p>	<b>20 minutes</b>

<p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

<b>Chapter 3 – Qualitative characteristics of financial information</b>	<b>65 minutes</b>
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>IASB’s <i>Conceptual Framework</i></li> <li>Qualitative characteristics of the <i>Conceptual Framework</i></li> <li>Elements of the financial statements</li> </ul> <p>The IASB’s <i>Conceptual Framework</i> is the basis on which the IFRS Standards are formulated. It is not an accounting standard but instead of set of principles which underpin the foundations of financial reporting. This chapter explains the key components of the <i>Conceptual Framework</i>.</p>	<b>45 minutes</b>
<p><b>Online lecture</b></p> <p>Work through the online lecture and the relevant sections of the Workbook.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

<b>Step 1</b>	<b>36 minutes</b>
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered Chapters 1 to 3 you are ready to take your first step towards exam success!</p> <p>Your Achievement Ladder Step 1 is a 20 mark Practice Test, based on Chapters 1 to 3.</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn’t. You will both reinforce and extend your understanding of the syllabus content if you do this.</p> <ul style="list-style-type: none"> <li>Estimated timings: attempting Step1: 24 mins, reviewing feedback carefully: 12 mins</li> </ul>	<b>36 minutes</b>

## ACCA FA/FIA FFA Financial Accounting

### Step 2 Guidance

This guidance gives a total of approximately **9 hours of study** for step 2 of the course.

Chapter 4 – Sources, records and books of prime entry	60 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Types of business documentation</li><li>• Books of prime entry</li></ul> <p>A business will enter into multiple transactions during an accounting period. These transactions are recorded on business documentation and then entered in the businesses books (known as the 'books of prime entry'). This chapter explains the types of business documentation that is used and the structure of the various books of prime entry.</p>	<b>40 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 5 – Ledger accounts and double entry	80 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Ledger accounts</li><li>• Double entry</li></ul> <p>Double entry is a fundamental aspect of accounting. This chapter is designed to enable you to explain the principles of double entry and apply these principles to the preparation of accounting records within the nominal ledger. It is very important to understand the concept of double entry bookkeeping, therefore, ensure you spend sufficient time mastering the information explained in this chapter.</p>	<b>60 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 6 – From trial balance to financial statements	90 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Trial balance</li> <li>• Statement of profit or loss</li> <li>• Statement of financial position</li> <li>• Accounting equation</li> </ul> <p>Having entered transactions in the books of prime entry and posted them to the ledgers, the bookkeeper is then in a position to transfer the balances on the ledger accounts to the trial balance. The trial balance is a list of balances brought down on each ledger account. This chapter explains how to prepare a trial balance.</p>	<b>70 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

Chapter 7– Inventory	85 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Valuation</li> <li>• Accounting adjustments</li> </ul> <p>Inventory are assets held by the business for sale to the customer. They may be held in a form for immediate sale (finished goods) or held as raw materials or work-in-process. Inventory can be a significant balance in the financial statements, therefore it is important to value and record it accurately.</p>	<b>65 minutes</b>
<p><b>Online Lectures</b></p> <ul style="list-style-type: none"> <li>• Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</li> </ul>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

Chapter 8 – Tangible non-current assets	100 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Asset expenditure versus other expenditure</li> <li>• Cost</li> <li>• Depreciation</li> </ul> <p>Non-current assets represent a significant cost to the business. They are used in the business on a continuing basis. This chapter explains the difference between asset expenditure and other expenditure, and also how to calculate and account for depreciation.</p>	<b>80 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

Chapter 9 – Intangible non-current assets	50 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Research expenditure</li> <li>• Development expenditure</li> </ul> <p>Intangible assets lack physical substance. They include goodwill, intellectual rights and research and development costs. They are capitalised in the financial statements and in certain situations, amortised to the statement of profit or loss. This chapter sets out the accounting treatment of intangible non-current assets.</p>	<b>30 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

<b>Step 2</b>	<b>72 minutes</b>
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered Chapters 1 to 9, you are ready to take your next step towards exam success!</p> <p>Your Achievement Ladder Step 2 is a 40 mark Practice Test, based on Chapters 1 to 9.</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this</p> <p>Estimated timings: attempting Step 2: 48 mins, reviewing feedback carefully: 24 mins</p>	<b>72 minutes</b>



## ACCA FA/FIA FFA Financial Accounting

### Step 3 Guidance

This guidance gives a total of approximately **7½ hours of study\*** for step 3 of the course.

Chapter 10 – Accruals and prepayments	80 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Accrued expenses</li><li>• Prepaid expenses</li><li>• Accrued income</li><li>• Deferred income</li></ul> <p>Financial statements are prepared on an accruals basis. This means that transactions and events are recognised when they occur (even if the resulting cash receipts and payments occur in a different period). This chapter explains how to calculate and record accruals and prepayments in the accounting records.</p>	60 minutes
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	20 minutes

Chapter 11 – Provisions and contingencies	50 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Provisions</li><li>• Contingent liabilities</li><li>• Contingent assets</li></ul> <p>At times there is uncertainty as to whether a potential liability or asset should be recognised in the financial statements. IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> gives guidance on when such transactions should and should not be recorded in the accounts. This chapter explains the difference between these three items and the relevant accounting treatment.</p>	30 minutes
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	20 minutes

Chapter 12 – Irrecoverable debts and allowances		90 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Irrecoverable debts</li> <li>• Allowances</li> </ul> <p>Most businesses make their sales to customers on credit. While the majority of customers settle their invoices as they fall due for payment, some customers fail to make payments to their suppliers. At times, businesses will therefore have to give up expecting to receive the amounts due on invoices. This chapter explains how to account for irrecoverable debts and allowances for receivables.</p>		<b>70 minutes</b>
<p><b>Online Lectures</b></p> <ul style="list-style-type: none"> <li>• Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</li> </ul>		
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>		<b>20 minutes</b>

Chapter 13 – Sales tax		50 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Output tax</li> <li>• Input tax</li> <li>• Irrecoverable sales tax</li> <li>• Rates of sales tax</li> </ul> <p>A business's sales and purchases are often subject to sales tax. This chapter is designed to enable you to prepare basic accounting entries for sales tax.</p>		<b>30 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>		
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>		<b>20 minutes</b>

Chapter 14 – Control accounts	90 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Receivables ledger control account</li> <li>• Receivables ledger</li> <li>• Payables ledger control account</li> <li>• Payables ledger</li> <li>• Control account reconciliations</li> <li>• Supplier statement reconciliations</li> </ul> <p>As we saw in earlier chapters, the receivables ledger control account shows the total amount owed by all credit customers at any one time. The receivables ledger shows the amount owed by individual customers. In theory, the total amount of each should be the same (ie they should reconcile). However, when the accounting records are summarised this is not always the situation initially. This chapter explains how to perform a receivables ledger control account reconciliation and a payables ledger control account reconciliation.</p>	<b>70 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

Step 3	90 minutes
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered Chapters 1-14, you are ready to take your next step towards exam success!</p> <p>Your Achievement Ladder Step 3 is a 50 mark Practice Test, based on Chapters 1-14.</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this</p> <p>Estimated timings: attempting Step 3: 60 mins, reviewing feedback carefully: 30 mins</p>	<b>90 minutes</b>

## ACCA FA/FIA FFA Financial Accounting

### Step 4 Guidance

This guidance gives a total of approximately **11 hours of study** for step 4 of the course.

Chapter 15 – Bank reconciliations	50 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Reconciliation between cash book balance and bank statement balance</li><li>• Differences</li></ul> <p>One might expect the balance on the business's bank statement and the balance on the business's cash book to be the same. This is generally not the case and this chapter explains how to reconcile the cash book balance with the bank statement balance.</p>	<b>30 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 16 – Correction of errors	60 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Types of error</li><li>• Suspense account</li><li>• Adjustment to profit</li></ul> <p>Once the trial balance is extracted (as was explained in an earlier chapter), the bookkeeper will be able to see if the total debits do not equal total credits. If this is the case then errors will have been made when transactions were recorded in the accounting records. These errors must be identified and corrected, as is explained in this chapter.</p> <p>Errors can also be made that do not result in an imbalance in the trial balance. Again, these must be corrected.</p>	<b>40 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 17 – Incomplete records	70 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Cost structures</li> <li>• Derive missing figures from given information</li> <li>• Accounting equation</li> </ul> <p>Smaller businesses may not keep the detailed accounting records that are required to prepare accounts. This chapter will explain the techniques that can be used in this situation, to derive missing figures.</p>	50 minutes
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	20 minutes

Chapter 18 – Preparation of financial statements for sole traders	75 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Technique</li> <li>• Key adjustments</li> </ul> <p>Having learnt how to record transactions in the accounting records, you are now ready to prepare financial statements for sole traders. This chapter explains the techniques needed to prepare such accounts.</p>	50 minutes
<p><b>Online Lectures</b></p> <ul style="list-style-type: none"> <li>• Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</li> </ul>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains one multi-task question worth 16 marks on this topic – use this to check and reinforce your understanding and become familiar with the exam style.</li> </ul>	25 minutes

Chapter 19 – Introduction to company accounting	75 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Shares</li> <li>• Reserves</li> <li>• Long-term borrowings</li> <li>• Incomes taxes</li> <li>• Dividends</li> </ul> <p>In this chapter you will see transactions which are specific to limited companies (ie incorporated companies). In particular, you will learn how to calculate and record share issues.</p>	<b>60 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 4 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>15 minutes</b>

Chapter 20 – Preparation of financial statements for companies	85 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Statement of profit or loss and other comprehensive income</li> <li>• Statement of financial position</li> <li>• Statement of changes in equity</li> <li>• Notes to the accounts</li> </ul> <p>The next stage is to prepare financial statements for companies. In this chapter you will see proforma financial statements and work through illustrations which explain how financial statements are structured.</p>	<b>70 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 4 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>15 minutes</b>

Chapter 21 – Events after the reporting period	35 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Definition</li> <li>• Adjusting events</li> <li>• Non-adjusting events</li> </ul> <p>Events after the reporting period are events that occur between the end of the reporting period and the date the financial statements are authorised for issue. This chapter provides examples of adjusting events and non-adjusting events and the affect they have on the financial statements.</p>	15 minutes
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	20 minutes

Chapter 22 – Statements of cash flows	95 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Cash flow from operating activities</li> <li>• Cash flow from investing activities</li> <li>• Cash flow from financing activities</li> </ul> <p>The purpose of the cash flow statement is to show the effect of a company's transactions on its cash balance. This chapter explains how to prepare the statement of cash flows. As you will see, the main sections of the statement of cash flows are cash flows from operating activities, investing activities and financing activities.</p>	75 minutes
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains one 15 mark question on this topic – use this to check and reinforce your understanding and practice the preparation of a full statement of cash flows.</li> </ul>	20 minutes

<b>Step 4</b>	<b>110 minutes</b>
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered Chapters 1 - 22, you are ready to take your next step towards exam success!</p> <p>Your Achievement Ladder Step 4 is a 60 mark Practice Test, based on Chapters 1 - 22.</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this</p> <ul style="list-style-type: none"> <li>• Estimated timings : attempting Step 4: 72 mins, reviewing feedback carefully: 38 mins</li> </ul>	<b>110 minutes</b>



## ACCA FA/FIA FFA Financial Accounting

### Step 5 Guidance

This guidance gives a total of approximately **8 ½ hours of study** for step 5 of the course.

<b>Chapter 23 – Introduction to consolidated financial statements</b>	<b>90 minutes</b>
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Introduction to consolidated financial statements</li><li>• Types of investment</li><li>• Parent’s separate financial statements</li></ul> <p>Having studied the preparation of financial statements for a single entity, the next stage is to learn to prepare group accounts. This chapter introduces the key principles including explanations of the difference between a parent company, a subsidiary company and an associate.</p>	<b>70 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 3 exam standard questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

<b>Chapter 24 – The consolidated statement of financial position</b>	<b>110 minutes</b>
<p><b>Key areas</b></p> <ul style="list-style-type: none"><li>• Non-controlling interests</li><li>• Goodwill</li><li>• Fair value</li><li>• Inter-company trading</li><li>• Mid-year acquisition</li></ul> <p>The concept of consolidated financial statements is developed in this chapter, now focusing on the preparation of the consolidated statement of financial position. The adjustments you need to know are explained in detail and the chapter culminates in an exam standard multi-task example.</p>	<b>90 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"><li>• The Practice and Apply contains 5 exam standard objective test questions on this topic – use these to check and reinforce your understanding.</li></ul>	<b>20 minutes</b>

Chapter 25 – The consolidated statement of profit or loss	75 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Inter-company trading</li> <li>• Mid-year acquisition</li> </ul> <p>This chapter also explores the principles of preparing consolidated financial statements, however, this time the focus is on preparing the consolidated statement of profit or loss. You will be familiar with many of the adjustments from the previous chapter yet now they are seen in the context of income and expenses.</p>	<b>45 minutes</b>
<p><b>Online Lectures</b></p> <p>Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</p>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains a 15 mark multi-task question on this topic – use this to check and reinforce your understanding.</li> </ul>	<b>30 minutes</b>

Chapter 26 – Interpretation of financial statements	100 minutes
<p><b>Key areas</b></p> <ul style="list-style-type: none"> <li>• Calculation of key accounting ratios <ul style="list-style-type: none"> <li>– Profitability</li> <li>– Liquidity</li> <li>– Efficiency</li> <li>– Position</li> </ul> </li> <li>• Interpretation of ratios</li> </ul> <p>Now that you can prepare financial statements, it is important to learn to interpret them (as a potential investor would). This chapter explains how to calculate key accounting ratios and also how to understand what they say about the company in question.</p>	<b>80 minutes</b>
<p><b>Online Lectures</b></p> <ul style="list-style-type: none"> <li>• Work through the <b>online lecture</b> in conjunction with the relevant sections of the Workbook, paying specific attention to the activities. Consider pausing the lecture to have a go at the activities yourself if you are feeling confident with the content.</li> </ul>	
<p><b>Practice and Apply</b></p> <ul style="list-style-type: none"> <li>• The Practice and Apply contains 5 exam standard questions on this topic – use these to check and reinforce your understanding.</li> </ul>	<b>20 minutes</b>

<b>Step 5</b>	<b>120 minutes</b>
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered all of the Topics you are ready to take your next step towards exam success!</p> <p>Your Achievement Ladder Step 5 is a 66 mark Practice Test, based on Chapters 1 - 26.</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this</p> <ul style="list-style-type: none"> <li>• Estimated timings : attempting Step 5: 80 mins, reviewing feedback carefully: 40 mins</li> </ul>	<b>120 minutes</b>

## ACCA Paper FA / FFA Financial Accounting

### Step 6 Guidance

This guidance gives a total of approximately **3 ½ hours of study** for step 6 of the course.

Step 6	195 minutes
<p>This is an opportunity to consolidate your knowledge and see how far you have come. You are then able to concentrate on any weaknesses before moving onto the next part of your studies.</p>	
<p><b>Achievement Ladder Step</b></p> <p>Now you have covered Chapters 1 - 26, you are ready to take your next step towards exam success!</p> <p>Your Achievement Ladder Step 6 is a 100 mark Practice Test, based on Chapters 1 - 26</p> <p>This Step is auto-marked. Make sure you work through the feedback very carefully, covering the questions you answered correctly as well as those you didn't. You will both reinforce and extend your understanding of the syllabus content if you do this</p> <p>The estimated timing for Step 6 is:</p> <ul style="list-style-type: none"><li>• Reading time 15 minutes</li><li>• Attempting Step 6: 120 minutes</li><li>• Reviewing feedback carefully: 60 minutes.</li></ul>	<b>195 minutes</b>