



Content reviewed by  
ACCA's examining team



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# ACCA

Approved

Interactive Text

**Foundations in Accountancy / ACCA**

**Financial Accounting (FFA/FA)**

For exams from 1 September 2020  
to 31 August 2021

Free access to our Exam Success Site

# ACCA Approved Content Provider

As the first accredited publisher of ACCA materials, BPP Learning Media has set the benchmark for producing exceptional study materials for students and tutors alike. This Interactive Text has been reviewed by the ACCA examining team and has been written by our in-house authors with industry and teaching experience who understand what is required for exam success.

## Exam Success Site

To maximise your chances of succeeding in your exams, we've put together a suite of exclusive ACCA resources. Our Exam Success Site provides you with access to a free digital version of this publication, exam debrief, past exam, examining team commentary and practice software as well as extra resources designed to focus your efforts on exams and study methods.

To access the BPP ACCA Exam Success Site for this material please go to:

**study.bpp.com**

- **Register** (first time only) and reply to the confirmation email.
- **Log in** using your registered username and password.
- **Click on the ACTIVATE A PRODUCT** button. Select Exam Success Site, then select the title you wish to access.
- **Enter the code** below when prompted. You will only have to do this once for each exam you are studying.

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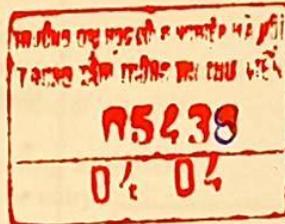


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# Foundations in Accountancy/ ACCA



## FINANCIAL ACCOUNTING (FFA/FA)

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BPP Learning Media is an **ACCA Approved Content Provider** for the Foundations in Accountancy qualification. This means we work closely with ACCA to ensure this Interactive Text contains the information you need to pass your exam.

In this Interactive Text, which has been reviewed by the **ACCA examining team**, we:

- **Highlight** the **most important elements** in the syllabus and the **key skills** you need
- **Signpost** how each chapter links to the syllabus and the study guide
- **Provide** lots of **exam focus points** demonstrating what the examining team will want you to do
- **Emphasise key points** in regular **fast forward summaries**
- **Test your knowledge** in **quick quizzes**
- **Examine your understanding** in our **practice question bank**
- **Reference all the important topics** in our full index

BPP's **Practice & Revision Kit** also supports the Financial Accounting syllabus.

**FOR EXAMS FROM 1 SEPTEMBER 2020 TO 31 AUGUST 2021**



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## Helping you to pass

### BPP Learning Media – ACCA Approved Content Provider

As an **ACCA Approved Content Provider**, BPP Learning Media gives you the **opportunity** to use study materials reviewed by the ACCA examining team. By incorporating the examining team's comments and suggestions regarding the depth and breadth of syllabus coverage, the BPP Learning Media Interactive Text provides excellent, **ACCA-approved** support for your studies.

These materials are reviewed by the ACCA examining team. The objective of the review is to ensure that the material properly covers the syllabus and study guide outcomes, used by the examining team in setting the exams, in the appropriate breadth and depth. The review does not ensure that every eventuality, combination or application of examinable topics is addressed by the ACCA Approved Content. Nor does the review comprise a detailed technical check of the content as the Approved Content Provider has its own quality assurance processes in place in this respect.

BPP Learning Media do everything possible to ensure the material is accurate and up to date when sending to print. In the event that any errors are found after the print date, they are uploaded to the following website: [www.bpp.com/learningmedia/Errata](http://www.bpp.com/learningmedia/Errata).

### The PER alert!

To become a Certified Accounting Technician or qualify as an ACCA member, you not only have to pass all your exams but also fulfil a **practical experience requirement** (PER). To help you to recognise areas of the syllabus that you might be able to apply in the workplace to achieve different performance objectives, we have introduced the '**PER alert**' feature. You will find this feature throughout the Interactive Text to remind you that what you are **learning in order to pass** your Foundations in Accountancy and ACCA exams is **equally useful to the fulfilment of the PER requirement**.

### Tackling studying

Studying can be a daunting prospect, particularly when you have lots of other commitments. The **different features** of the Interactive Text, the **purposes** of which are explained fully on the **Chapter features** page, will help you whilst studying and improve your chances of **exam success**.

### Developing exam awareness

Our Interactive Texts are completely **focused** on helping you pass your exam.

Our advice on **Studying FFA/FA** outlines the **content** of the exam, the **recommended approach to studying** and any **brought forward knowledge** you are expected to have.

**Exam focus points** are included within the chapters to highlight when and how specific topics might be examined.

### Testing what you can do

Testing yourself helps you develop the skills you need to pass the exam and also confirms that you can recall what you have learnt.

We include **Questions** – lots of them – both within chapters and in the **Practice Question Bank**, as well as **Quick Quizzes** at the end of each chapter to test your knowledge of the chapter content.

## Chapter features

Each chapter contains a number of helpful features to guide you through each topic.

<b>Topic list</b>	Tells you what you will be studying in this chapter and the relevant section numbers, together with ACCA syllabus references.
<b>Introduction</b>	Puts the chapter content in the context of the syllabus as a whole.
<b>Study Guide</b>	Links the chapter content with ACCA guidance.
 <b>Fast Forward</b>	Summarises the content of main chapter headings, allowing you to preview and review each section easily.
<b>EXAMPLE</b>	Demonstrates how to apply key knowledge and techniques.
 <b>Key Term</b>	Definitions of important concepts that can often earn you easy marks in exams.
 <b>Exam Focus Point</b>	Tells you how specific topics may be examined.
 <b>Formula</b>	Formulae which have to be learnt.
 <b>PER Alert</b>	This feature gives you a useful indication of syllabus areas that closely relate to performance objectives in your Practical Experience Requirement (PER).
 <b>Question</b>	Gives you essential practice of techniques covered in the chapter.
<b>Chapter Roundup</b>	A full list of the Fast Forwards included in the chapter, providing an easy source of review.
<b>Quick Quiz</b>	A quick test of your knowledge of the main topics in the chapter.
<b>Practice Question Bank</b>	Found at the back of the Interactive Text with more exam-style chapter questions. Cross referenced for easy navigation.

## Studying FFA/FA

### How to use this Interactive Text

#### Aim of this Interactive Text

To provide the knowledge and practice to help you succeed in the examination for FFA/FA *Financial Accounting*.

To pass the examination you need a thorough understanding in all areas covered by the syllabus and teaching guide.

#### Recommended approach

- (a) To pass you need to be able to answer questions on **everything** specified by the syllabus and teaching guide. Read the Interactive Text very carefully and do not skip any of it.
- (b) Learning is an **active** process. Do **all** the questions as you work through the Interactive Text so you can be sure you really understand what you have read.
- (c) After you have covered the material in the Interactive Text, work through the **Practice Question Bank**, checking your answers carefully against the **Practice Answer Bank**.
- (d) Before you take the exam, check that you still remember the material using the following quick revision plan.
  - (i) Read through the **chapter topic list** at the beginning of each chapter. Are there any gaps in your knowledge? If so, study the section again.
  - (ii) Read and learn the **key terms**.
  - (iii) Look at the **exam focus points**. These show the ways in which topics might be examined.
  - (iv) Read the **chapter roundups**, which are a summary of the **fast forwards** in each chapter.
  - (v) Do the **quick quizzes** again. If you know what you're doing, they shouldn't take long.

This approach is only a suggestion. You or your college may well adapt it to suit your needs. Remember this is a **practical** course.

- (a) Try to relate the material to your experience in the workplace or any other work experience you may have had.
- (b) Try to make as many links as you can to other Applied Knowledge and Applied Skills modules.

For practice and revision, use BPP Learning Media's Practice & Revision Kit and Passcards.

## What FFA/FA is about

FFA/FA aims to develop your knowledge and understanding of the underlying principles, concepts and regulations relating to financial accounting. You will need to demonstrate technical proficiency in the use of double entry techniques, including the preparation of basic financial statements for incorporated and unincorporated entities, as well as simple consolidated financial statements for groups. You also need to be able to conduct a basic interpretation of financial statements. If you plan to progress through the ACCA qualification, the skills you learn at FFA/FA will be built on in Financial Reporting (FR) and Strategic Business Reporting (SBR).

## Approach to examining the syllabus

FFA/FA is a two-hour examination. The questions in the computer-based examination are objective test questions – multiple choice, number entry and multiple response. (See page ix for frequently asked questions about computer-based examinations.)

The examination is structured as follows:

		<i>Number of marks</i>
Section A	35 compulsory objective test questions of two marks each	70
Section B	2 compulsory multi-task questions of 15 marks each	30
		<u>100</u>

Multi-task questions are a series of short questions relating to one scenario. These short questions can take a number of formats, eg drop down lists, multiple choice, number entry and multiple response.

## Syllabus and Study guide

The complete FFA/FA syllabus and study guide can be found by visiting the exam resource finder on ACCA's website: [www.accaglobal.com/uk/en/student/exam-support-resources.html](http://www.accaglobal.com/uk/en/student/exam-support-resources.html)

## The computer-based examination

Computer-based examinations (CBEs) are available for most of the Foundations in Accountancy exams. The CBEs for the first seven modules can be taken at any time, these are referred to as "exams on demand". The Option exams can be sat in June and December of each year, these are referred to as "exams on sitting". FAU and FFM are moving from paper-based exams (PBE) to CBE format from the December 2019 exam sitting, and FTX will follow from the June 2020 exam sitting. There will be no parallel running of PBEs and CBEs.

Computer-based examinations must be taken at an ACCA CBE Licensed Centre.

### How do CBEs work?

- Questions are displayed on a monitor.
- Candidates enter their answer directly onto the computer.
- Candidates have two hours to complete the examination.
- Candidates sitting exams on demand are provided with a Provisional Result Notification showing their results before leaving the examination room.
- The CBE Licensed Centre uploads the results to the ACCA (as proof of the candidate's performance) within 72 hours.
- Candidates sitting the Option exams will receive their results approximately five weeks after the exam sitting once they have been expert marked.
- Candidates can check their exam status on the ACCA website by logging into myACCA.

### Benefits

- **Flexibility** – the first seven modules, exams on demand, can be sat at any time.
- **Resits** for the first seven modules can also be taken at any time and there is no restriction on the number of times a candidate can sit a CBE.
- **Instant feedback** for the exams on demand as the computer displays the results at the end of the CBE.

For more information on CBEs, visit the ACCA website.

[www.accaglobal.com/gb/en/student/exam-entry-and-administration/computer-based-exams.html](http://www.accaglobal.com/gb/en/student/exam-entry-and-administration/computer-based-exams.html)

## Tackling multiple choice questions

MCQs are part of all Foundations in Accountancy exams and ACCA AB, MA, and FA.

The MCQs in your exam contain four possible answers. You have to **choose the option that best answers the question**. The incorrect options are called distracters. There is a skill in answering MCQs quickly and correctly. By practising MCQs you can develop this skill, giving you a better chance of passing the exam.

You may wish to follow the approach outlined below, or you may prefer to adapt it.

**Step 1** Skim read all the MCQs and identify what appear to be the easier questions.

**Step 2** Attempt each question – **starting with the easier questions** identified in Step 1. Read the question **thoroughly**. You may prefer to work out the answer before looking at the options, or you may prefer to look at the options at the beginning. Adopt the method that works best for you.

**Step 3** Read the options and see if one matches your own answer. Be careful with numerical questions, as the distracters are designed to match answers that incorporate common errors. Check that your calculation is correct. Have you followed the requirement exactly? Have you included every stage of the calculation?

**Step 4** You may find that none of the options match your answer.

- Re-read the question to ensure that you understand it and are answering the requirement
- Eliminate any obviously wrong answers
- Consider which of the remaining answers is the most likely to be correct and select the option

**Step 5** If you are still unsure make a note and continue to the next question.

**Step 6** Revisit unanswered questions. When you come back to a question after a break you often find you are able to answer it correctly straight away. If you are still unsure have a guess. You are not penalised for incorrect answers, so **never leave a question unanswered!**

After extensive practice and revision of MCQs, you may find that you recognise a question when you sit the exam. Be aware that the detail and/or requirement may be different. If the question seems familiar read the requirement and options carefully – do not assume that it is identical.

Tempting though it might be, don't try to predict where the correct answers might fall based on any kind of pattern you think you might perceive in this section. The distribution of the correct answers do not follow any predictable pattern in this exam!