

A Level Accounting Summer Independent Learning Activity

The SIL this summer consists of two (2) parts.

1. **‘Compulsory Work’**: which will introduce new topics, prior to Year13, which is an extension 3.8 Ratio analysis - you have done in Year 12,
2. **‘Highly recommended Work’**: **completion of this work will assist with the continuation of the course.**

Part 1: Compulsory Work for Year13 (New content)

3.17 Interpretation, analysis and communication of accounting information

Investor Ratios

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 statements and ratio analysis when assessing business performance.

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

Revisit the notes, Power points in teams and activities that you completed on section 3.8

Create a file and name it as ‘3.17 Investors’ Ratios’

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 importantly, 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.

Sources of Information

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/

and this story in the Financial Times, gives you some wider business information

<https://www.ft.com/content/873f5dc8-65ee-11e5-97d0-1456a776a4f5>

In the following link the formula for P/E is explained, and there is also a blog and analysis by other students to visit

<https://www.tutor2u.net/business/topics/price-earnings-pe-ratio>

<https://www.myaccountingcourse.com/financial-ratios/price-earnings-ratio>

Interest Cover is explained in the following links

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

<https://www.myaccountingcourse.com/financial-ratios/interest-coverage-ratio>

For Earnings per share, do your own research, perhaps using some of the websites from above.....

Part 2: Highly recommended content

Review the following seven videos. This will help you to get a better understanding of how to revise and get ready for Year 13.

What is metacognition?

<https://www.youtube.com/watch?v=77K8nQaKbp0&t=25s>

How your memory works

<https://www.youtube.com/watch?v=wvrHgDE1IbM>

Retrieval practice

<https://www.youtube.com/watch?v=wrDOoBuP9A8&t=28s>

Spaced practice

<https://www.youtube.com/watch?v=tQCuuSdBaQs&t=16s>

Interleaving

<https://www.youtube.com/watch?v=8MofOoLtyaA&t=3s>

Calibration

<https://www.youtube.com/watch?v=g5Gzh4WF10A>

Self-regulation

<https://youtu.be/5E-WJmuM83A>

Once you have done this you should review the specification topics that were covered in year 12. 3.1 to 3.10 (up to decision making) in your syllabus.

For each area, review your knowledge, use your notes/handouts and the presentations in teams.

You could make a knowledge check list to identify any areas of concern that require more focus.

Attempt the key question(s) highlighted, these can be found in 'Files' on teams in the folder SIL 2021

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 Concepts

Key question: Laura

3.7 Limited company accounts

Key question(s): Weirwolf/ Shameobi

3.8 Ratio Analysis

Key question(s): Cass Ltd (extended structured question)

You should be prepared to do a combination of calculation and written questions of varying length, including essay style questions during your exam, and you need to ensure you know both formulas and benefits/ disadvantages in the various topics you cover.