

AAT

Q2022

THE BUSINESS ENVIRONMENT

Synoptic Assessment

EXAM KIT

This Exam Kit supports study for the following AAT qualifications:

AAT Level 2 Certificate in Accounting

AAT Level 2 Certificate in Bookkeeping

AAT Certificate in Accounting at SCQF Level 6

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Features in this exam kit

In addition to providing a wide ranging bank of real exam style questions, we have also included in this kit:

- unit-specific information and advice on exam technique
- our recommended approach to make your revision for this particular unit as effective as possible.

You will find a wealth of other resources to help you with your studies on the AAT website:

www.aat.org.uk/

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SYNOPTIC ASSESSMENT SPECIFICATION

AAT Q2022 Business Environment Synoptic Assessment is an assessment which students must complete if they are to achieve the appropriate qualification upon completion of a qualification. In the case of the Level 2 Certificate in Accounting, students must pass all of the mandatory assessments and the synoptic assessment to achieve the qualification.

As a Synoptic Assessment is attempted following completion of individual units, it draws upon knowledge and understanding from those units. It may be appropriate for students to retain their study materials for individual units until they have successfully completed the synoptic assessment for that qualification.

All units within the Level 2 Certificate in Accounting are mandatory. Three units are assessed individually in end of unit assessments, but this qualification also includes a synoptic assessment, sat towards the end of the qualification, which draws on and assesses knowledge and understanding from across the qualification.

- Introduction to Bookkeeping – end of unit assessment
- Principles of Bookkeeping Controls – end of unit assessment
- Principles of Costing – end of unit assessment
- The Business Environment – assessed within the synoptic assessment only

Note that Principles of Costing is a unit assessment only and is not assessed as part of the synoptic assessment. Note also that The Business Environment is assessed in the synoptic assessment only.

Summary of learning outcomes from underlying units which are assessed in the synoptic assessment

Underlying unit	Learning outcomes required
The Business Environment	LO1, LO2, LO3, LO4, LO5, LO6, LO7
Introduction to Bookkeeping	LO1, LO2, LO3
Principles of Bookkeeping Controls	LO1, LO2, LO3

Section 1

PRACTICE QUESTIONS

THE BUSINESS ENVIRONMENT

LO1 UNDERSTAND THE PRINCIPLES OF CONTRACT LAW

1 COMMON LAW

Which of the following TWO statements regarding 'common law' are NOT correct?

- A It is the body of law as made by judges through the determination of cases
- B It is law created by Parliament
- C It is the system of law that emerged following the Norman Conquest in 1066
- D In the event of conflict with equity the common law will prevail

2 CIVIL LAW

Identify whether the following statements regarding civil law are true or false.

	True	False
It is the body of laws that does not relate to criminal offences		
It is law created by judges through decisions made in cases		

3 CASE LAW I

Identify whether the following statements regarding case law are true or false.

	True	False
The final court of appeal in England and Wales is the Supreme Court		
'Obiter dicta' is the part of the legal judgement that establishes the precedent that is to be binding on lower courts		

4 CASE LAW II

Identify whether the following statements regarding case law are true or false.

	True	False
Common law developed from local customs		
The Supreme Court can be bound by decisions of the Court of Appeal		

5 OFFER AND ACCEPTANCE

An offer was made by A to sell goods on the 1st April for £2,000. B the offeree telephoned A on the 5th April offering to pay £1,800 for the goods.

On the 8th April, A offered to sell the goods to C for £1,900, and C accepted this offer on the same day. On the 7th April, B sent a letter to A which was received on the 10th April agreeing to pay the £2,000 asking price for the goods.

Which one of the following is correct?

- A There is a contract between A and B created on the 7th April
- B There is a contract between A and B created on the 10th April
- C There is a contract between A and C
- D There is no contract created

6 OFFER AND INVITATION TO TREAT

A coat was displayed in a shop window with a price tag attached which read £10. The price tag should have read £100. X who saw this went into the shop and demanded the coat for £10.

Which one of the following is correct?

- A As the window display is an offer X can demand the coat at £10.
- B The window display is merely an invitation to treat and the shopkeeper does not have to sell the coat to X.
- C The shopkeeper can refuse to sell the coat for £10, but cannot refuse to sell the coat to X for £100 if X was prepared to pay this sum.
- D The shopkeeper would be bound to sell the coat to any customer prepared to pay this £100.

7 CONSIDERATION I

All simple contracts must be supported by consideration from each party.

Identify whether the following statements are true or false.

	True	False
Consideration must be sufficient		
Past consideration is valid consideration		



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