



# Fundamentals of Financial Accounting

Certificate level | Subject BA3  
CIMA official revision cards

**KAPLAN**  
PUBLISHING

## FUNDAMENTALS OF FINANCIAL ACCOUNTING

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### How to use Revision Cards

#### The concept

- Revision Cards are a new and different way of learning, based upon research into learning styles and effective recall.
- The cards are in full colour and have text supported by a range of images, making them far more effective for visual learners and easier to remember.
- Unlike a bound text, Revision Cards can be rearranged and reorganised to appeal to kinaesthetic learners who prefer to learn by doing.
- Being small enough to carry around means that you can take them anywhere. This gives the opportunity to keep going over what you need to learn and so helps with recall.
- The content has been reduced down to the most important areas, making it far easier to digest and identify the relationships between key topics.
- Revision Cards, however you learn, whoever you are, wherever you are.....

### How to use them

Revision Cards are a pack of approximately 52 cards, slightly bigger than traditional playing cards but still very easy to carry and so convenient to use when travelling or moving around. They can be used during the tuition period or at revision.

They are broken up into 4 sections.

- An overview of the entire subject in a mind map form (orange).
- A mind map of each specific topic (blue).
- Content for each topic presented so that it is memorable (green).
- Practice questions and answers (purple).

Each one is a different colour, allowing you to sort them in many ways.

- Perhaps you want to get a more detailed feel for each topic, why not take all the green cards out of the pack and use those.
- You could create your own mind maps using the blue cards to explore how different topics fit together.
- If at the revision phase why not take all the purple cards and work through the past questions identified.
- And if there are some topics that you understand, take those out of the pack, leaving yourself only the ones you need to concentrate on.

There are just so many ways you can use them.

### Contents

- Accounting principles, concepts and regulations
- Prepare accounting records
- Prepare accounting reconciliations
- Prepare accounting entries for specific transactions
- Prepare manufacturing accounts
- Prepare financial statements for a single entity
- Interpretation of financial statements

This document references IFRS® Standards and IAS® Standards, which are authored by the International Accounting Standards Board (the Board), and published in the 2019 IFRS Standards Red Book.

## FUNDAMENTALS OF FINANCIAL ACCOUNTING

### Exam guidance

#### Format of exam

The assessment for Fundamentals of Financial Accounting (BA3) is a two hour computer based exam consisting of 60 compulsory questions, each with one or more parts.

A variety of objective test question styles and types will be used within the assessment, such as:

Multiple choice, multiple response, number entry, drag and drop, drop down and hot spot. Some items might relate to a short common scenario (2-4 questions).

### Core areas of the syllabus

The syllabus comprises of

A Accounting Principles, concepts and regulations	10%
B Recording Accounting Transactions	50%
C Preparation of Accounts for Single Entities	30%
D Analysis of Financial Statements	10%



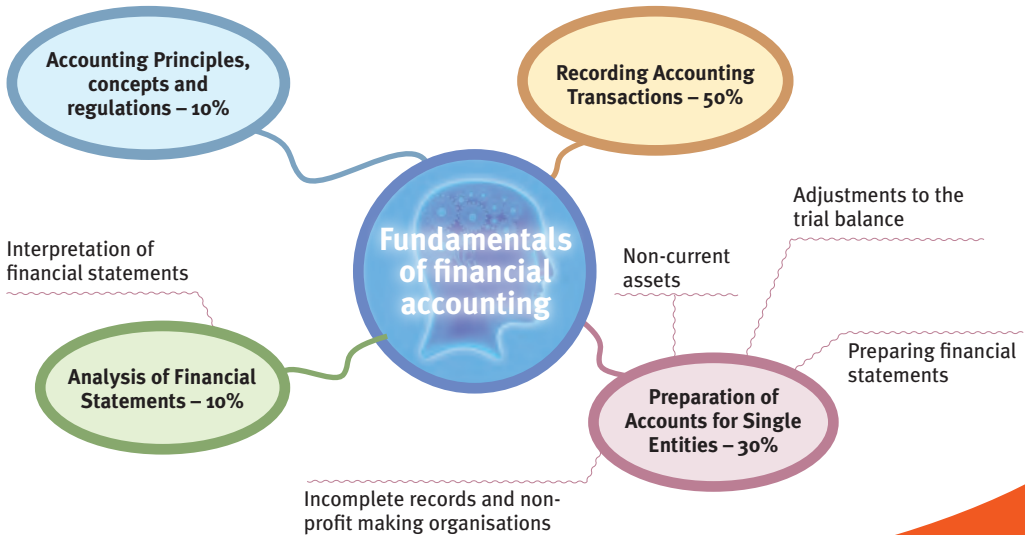
# overview

fundamentals of financial accounting

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# FUNDAMENTALS OF FINANCIAL ACCOUNTING

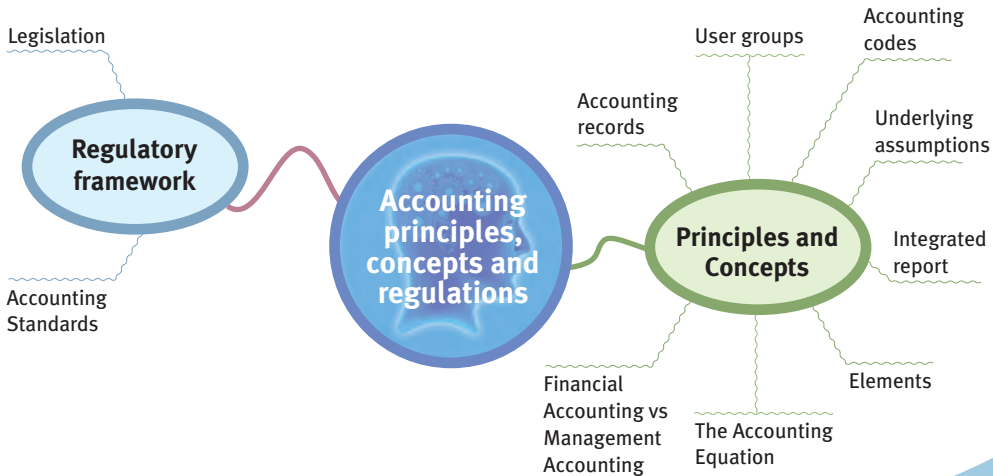


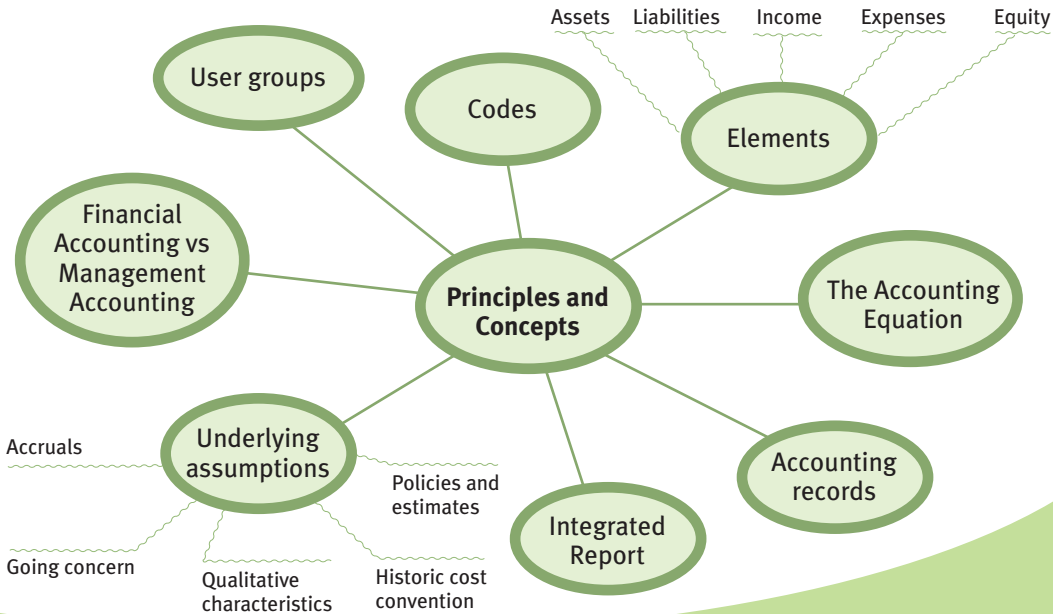


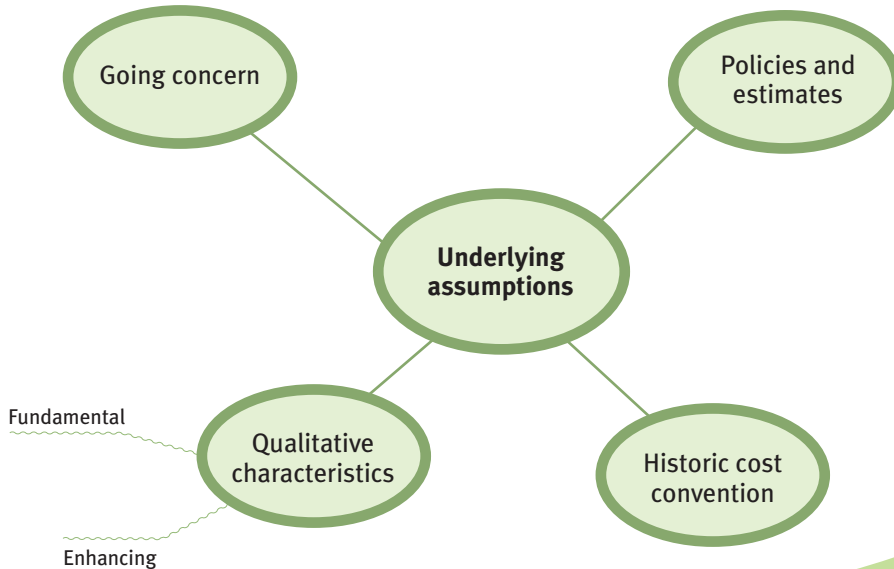
# **accounting principles, concepts and regulations**

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**The Conceptual Framework for Financial Reporting splits qualitative characteristics into two categories:**

**(i) Fundamental qualitative characteristics**

- Relevance;
- Faithful representation.

**(ii) Enhancing qualitative characteristics**

- Comparability;
- Verifiability;
- Timeliness;
- Understandability.

**Underlying assumption**

**Going concern  
concept**

A business will continue for the foreseeable future.

### **Accounting policies**

Accounting policies are the principles bases, conventions, rules and practices applied by an entity which specify how the effects of transactions and other events are reflected in the financial statements.

### **Accounting estimates**

When preparing financial statements, inherent uncertainties result in estimates having to be made and subsequently, these estimates may need to be revised. A common accounting estimate is the estimated useful life of an asset.



## The elements of financial statements

**Assets** – a present economic resource controlled by the entity as a result of past events.

**Liability** – a present obligation of the entity to transfer an economic resource as a result of past events.

**Equity** – Equity is the residual interest in the assets of the enterprise after deducting all its liabilities. Also referred to as capital.

**Income** – increases in assets or decreases in liabilities that result in increases in equity, other than those relating to contributions from holders of equity claims.

**Expenses** – decreases in assets or increases in liabilities that result in decreases in equity, other than those relating to holders of equity claims.