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| **Business BTEC L3**  **Unit 3C: Understand the purpose of accounting** | **Road Map** | | | | | |
| In this unit you will investigate business calculations and business performance  **LG1**: Knowledge  **LG2**: Application  **LG3**: Skills | Assessment Grades |  |  | | | |
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| **Themes** | **Learning Goals/Outcomes/Content** | | |  |  |  |
| C1 **Purpose of accounting** | **LG1**: know what a transaction is and type (credit and cash)  **LG1:** Know the reasons why a business needs to record transactions  **LG2**: Explain why it is important for given individuals/organisations to record transactions  **LG2:** Give example of transaction types  **LG3:** Analyse the importance of recording transactions | | |  |  |  |
| **C2 Types of income** | **LG1**: Know the sources of capital income: loan; mortgages; shares; owner’s capital; debentures.  **LG1**: Know the sources of revenue income: cash sales; credit sales; rent received; commission received; interest received; discount received.  **LG2:** Identify source of revenue for given business  **LG3**: Calculate revenues | | |  |  |  |
| **C3: Types of Expenditure** | **LG1**: Know that capital expenditure can be categorised as non-current assets: tangible and intangible and know the type of capital expenditure  **LG1**: Know that revenue expenditure is the ongoing running costs for the business and know the types of revenue expenditure  **LG2**: Give examples of income and expenditure for given businesses**LG3**: To calculate depreciation using different methods**LG3:** extract data from published accounts | | |  |  |  |
| **B4 Information guidance and advice** | **LG1**: Know the function, role and responsibilities, advantages and disadvantages of: Citizens Advice; independent financial advisor (IFA); price comparison websites; money advice service; debt counsellors; Individual Voluntary Arrangements (IVAs); Bankruptcy.  **LG2:** Identify support for given individuals  **LG3:** Analyse and evaluate the sources of advice | | |  |  |  |

**Links:**

Having studied personal finance in Section A, you have an awareness of what transactions are and the need for individuals to manage their finances. In this unit you will look at the need for businesses to record finance. You will start to calculate revenues and profit ready to build on in both break even (section E) and P&L accounts section (F). In this unit you will be introduced to annual accounts and extract information from the accounts to familiarise yourself with terminology and the content of the financial statements in readiness for section E. Having identified income and expenditure in this unit, you will start to consider sources of finance in more detail (section D) and then look at how cash flow is used to help monitor (Section E). If you are studying double award will also use knowledge of income and expenditure and the purpose of recording to build on in your cost and management unit.