

**SING YIN SECONDARY SCHOOL**  
**BUSINESS, ACCOUNTING AND FINANCIAL STUDIES**  
**NSS FORM FIVE SYLLABUS**  
**September 2016 - June 2017**

- Aims:**
1. To stimulate students' interest in business, accounting and management.
  2. To help students understand the real business environment.
  3. To promote values and attitudes of honesty, fairness and social responsibility.
  4. To develop generic skills in research, analysis, problem-solving, critical thinking, creativity and communication.

- Textbooks:**
1. Frank Wood's Financial Accounting 2 (Second Edition); Frank Wood & Eric Lo Chi Chung; Pearson
  2. Frank Wood's Cost Accounting (Second Edition); Frank Wood & Eric Lo Chi Chung, & Simon Lee Siu Po, Pearson
  3. Business Environment and Introduction to Management (Second Edition); Pak Cho Kan & Lam Pun Lee; Pearson

Topics	Learning Objectives: Students are expected to be able to	Remarks	Number of Periods
<b>2(a) Financial Accounting</b>			
Partnership dissolution	(a) prepare the necessary accounting entries in dissolution	<ul style="list-style-type: none"> <li>➤ assets and liabilities taken over by partners, realization expenses, partners' loans</li> <li>➤ partners' capital deficiency on dissolution</li> <li>➤ piecemeal realization and the Garner v Murray rule are not required</li> <li>➤ conversion or sale of a partnership to limited company is not required</li> </ul>	10
Issues of shares and debentures by companies	(a) explain the nature of share capital (preference shares and ordinary shares), loan capital (debentures), reserve and provision (b) prepare journal and ledger entries relating to the issue of ordinary shares and debentures fully paid on application.	<ul style="list-style-type: none"> <li>➤ shares issued at par or at a premium</li> <li>➤ debenture issued at par</li> <li>➤ refund to unsuccessful applicants</li> <li>➤ rights and bonus issues of shares are not required</li> </ul>	4
Final accounts of limited companies	(a) prepare appropriation accounts and calculate the balance of retained profits (b) prepare properly presented income statements and statement of financial position (balance sheet) for a company		8

Financial Analysis	<p>(a) calculate accounting ratios and comment on a company in terms of</p> <ul style="list-style-type: none"> <li>✧ profitability</li> <li>✧ liquidity</li> <li>✧ solvency</li> <li>✧ management efficiency</li> <li>✧ return on investment</li> </ul> <p>(b) explain the functions and limitations of accounting ratios in financial analysis</p>	<ul style="list-style-type: none"> <li>➤ mark-up</li> <li>➤ gross profit ratio/ margin</li> <li>➤ net profit ratio/ margin</li> <li>➤ return on capital employed</li> <li>➤ working capital/ current ratio</li> <li>➤ quick/liquid ratio/ acid test</li> <li>➤ inventory turnover</li> <li>➤ average trade receivables collection period</li> <li>➤ average trade payables repayment period</li> <li>➤ trade receivables turnover</li> <li>➤ trade payables turnover</li> <li>➤ earnings per share</li> <li>➤ total assets turnover</li> <li>➤ gearing ratio</li> <li>➤ dividend cover for ordinary shares</li> <li>➤ price-earnings ratio</li> </ul>	10
Incomplete records (Single entry)	<p>(a) determine profits or losses from statement of affairs</p> <p>(b) prepare an income statement and a balance sheet from incomplete records</p> <p>(c) calculate the cash and inventory value from incomplete record</p>	<ul style="list-style-type: none"> <li>➤ use of margins and mark-ups, gross profit ratio, net profit ratio, stock turnover, total debtors and total creditors account to <ul style="list-style-type: none"> <li>● prepare final accounts</li> <li>● calculate cash stolen</li> <li>● calculate inventory loss</li> <li>● find stock value from stocktaking after period end</li> </ul> </li> </ul>	15
Generally Accepted Accounting principles	<p>(a) explain the meaning, importance and shortcomings of the following principles and conventions:</p> <ul style="list-style-type: none"> <li>✧ business entity</li> <li>✧ going concern</li> <li>✧ historical cost</li> <li>✧ consistency</li> <li>✧ accrual</li> <li>✧ matching</li> <li>✧ realisation</li> <li>✧ prudence/conservatism</li> <li>✧ materiality</li> <li>✧ objectivity</li> <li>✧ timeliness</li> <li>✧ money measurement</li> </ul> <p>(b) apply the above principles and conventions in accounting situations</p>		7

<b>2(b) Cost Accounting</b>			
Cost classification, concepts and terminology	(a) explain the general nature of cost accounting and appreciate its importance for financial decision-making (b) distinguish between direct and indirect costs, fixed and variable costs, and factory and administrative overheads		5
Marginal and Absorption Costing	(a) prepare income statements under marginal and absorption costing. (b) compare the advantages and disadvantages of adopting marginal and absorption costing	<ul style="list-style-type: none"> <li>➤ manufacturing account is not required</li> <li>➤ over-/ under- absorption of fixed manufacturing overheads charged to COGS</li> <li>➤ weighted average cost for the costing of inventory</li> <li>➤ contribution margin</li> <li>➤ difference in reported net profit and the reconciliation</li> </ul>	10
Cost Accounting for Decision-making	(a) identify the nature of various cost items and their relevance to decision-making <ul style="list-style-type: none"> <li>◇ sunk cost</li> <li>◇ incremental costs</li> <li>◇ opportunity costs</li> </ul> (b) apply costing concepts and techniques in business decisions <ul style="list-style-type: none"> <li>◇ hire, make or buy</li> <li>◇ accept or reject an order at a special price</li> <li>◇ retain or replace equipment</li> <li>◇ sell or process further</li> <li>◇ eliminate or retain an unprofitable segment</li> </ul> (c) conduct cost-volume-profit analysis to assess the effects of changes in costs, selling price and units sold on breakeven point and target profit	<ul style="list-style-type: none"> <li>➤ concept of relevant costs in decision-making</li>   <li>➤ full capacity vs. excess capacity</li> <li>➤ situation with a limiting factor</li> <li>➤ joint product costing is not required</li>   <li>➤ calculation of margin of safety</li> <li>➤ CVP analysis for multiple products</li> <li>➤ situation with limiting factors</li> </ul>	12
<b>1(a) Business Environment</b>			
Hong Kong Business Environment	(a) describe the role and importance of business in Hong Kong economy (b) analyse the recent development and characteristics of the Hong Kong economy	<ul style="list-style-type: none"> <li>- characteristics of the HK economy: lack of primary industries, dependence on external trade, concentration on tertiary industry, free trade, simple taxation</li> <li>- economic relationship with the Mainland: CEPA, trading partners, sources of capital</li> </ul>	18

	(c) evaluate how economic, technological, cultural, physical, social, political and legal factors affect business decisions	<ul style="list-style-type: none"> <li>- details about policies and practices in the Mainland are not required</li> <li>- impacts of globalisation: keen competition, international flow of capital and information, global sourcing and outsourcing, technology transfer</li> <li>- major functions of WTO and APEC</li> </ul>	
Form of Business Ownership	<p>(a) distinguish between the major forms of business ownership:</p> <ul style="list-style-type: none"> <li>✧ sole proprietorship</li> <li>✧ partnership</li> <li>✧ limited company</li> <li>✧ joint venture</li> <li>✧ franchise</li> <li>✧ public enterprise</li> </ul> <p>(b) evaluate the pros and cons of different forms of business ownership</p> <p>(c) describe the characteristics of multinational corporations in Hong Kong</p>	<ul style="list-style-type: none"> <li>- characteristics of general, limited and nominal partners</li> <li>- set up procedures and documents are not required</li> <li>- suggested activity: collect real-life examples of different forms of business ownership</li> </ul>	7
Business Ethics and Social Responsibilities	<p>(a) explain why and how a business should be ethically responsible to various stakeholders</p> <p>(b) describe how business ethics and social responsibilities affect business decisions</p>	<ul style="list-style-type: none"> <li>- suggested activity: case study or debate</li> </ul>	4
Total number of periods			110

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