

endorsed for



LCCI FINANCIAL ACCOUNTING LEVEL 4

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Introduction

Welcome to the Student Textbook for the Pearson LCCI Level 4 Certificate in Financial Accounting (ASE20101). This textbook has been designed to support you in your LCCI studies and offers coverage of the LCCI specification content.

This textbook is divided into chapters, linked to the specification content. Each chapter deals with an important section of content, with links to the specification listed on the first page.

Each chapter contains the following features:

- **Learning objectives** – these summarise the knowledge, understanding and skills that you are expected to gain from this chapter.
- **Examples** – these help show you how to apply the theory to practice, and how to perform the relevant calculations.
- **Tips** – these suggest ways of studying and applying the content to help improve your understanding of the course
- **Activities** – these give you practice on specific aspects of the theory and build your understanding.
- **Real world case studies** – these show you ‘real-life’ examples of what you are studying and put learning into context.
- **Chapter summary** – this section summarises the key points, in terms of knowledge, understanding and skills that you should have learnt from each chapter. If there are any points which you have not learnt, it is recommended that you go back to that relevant section of the chapter to consolidate your understanding.
- **Questions** – these apply to key areas of content in the specification, and help you understand individual concepts covered in the chapter. (The answers are contained in the back of the book, but we recommend you attempt the questions first before looking at the answers.)

We encourage you to check the Pearson website (qualifications.pearson.com) and search for this qualification to download a range of free learner resources. These include past papers, mark schemes and model answers.

We wish you the very best as you study this LCCI qualification.

Editor's note

The following study text aims to introduce you to the basic regulations, governance, techniques and types of organisations that need to undertake accounting reporting and data analysis. It is an introductory text and so cannot go into detail with regard to every type of organisation – so it concentrates on sole traders, partnerships and companies, aiming to show how they should manage their accounting processes and procedures. Do not be put off by the amount of accounting jargon that is used – as financial accounting and in fact all accounting has its own language, which needs to be understood and appears daunting at first.

The more that you practise accounting by using the examples, tips, activities and real-life case studies, the sooner financial accounting will become an area in which, even at introductory level, you will gain some professionally based expert skills and competences.

Exam tips

The following tips will help your examination performance:

- Practice makes perfect – do not read the answer before attempting a question.
- Manage your time according to the numbers of marks that a question has as a proportion of the total marks (the most perfect question, if only awarded four marks, cannot earn any further marks).
- Read every question at least twice before attempting the answer.
- Define all the terms in the question clearly if asked to describe and explain them.
- If you are unsure of an answer but are asked for three examples and think you know four items, but are unsure if they are correct, list them as three answers – in this case you have given four answers but in three points, and if correct will earn the maximum for the three given.
- Show all your rough workings (even those on the calculator).
- Divide up your time into the proportions of marks as a percentage of the paper – when you have used up the time move on to the next question – if you have time you can return to that question later.
- Write legibly.
- Once you have finished check every bit of the paper as if doing the questions for the first time.

Editor's note

- Be sure you have all the items needed for the exam (check pens, calculators, etc.).
- Finally, *do not panic*, when you receive the paper.

Good luck!

Eileen Roddy