**SESSION PLAN**

**COURSE:** ABE Level 4 Finance for Managers

**ELEMENT:** Element 1: Introduction to financial and management accounting

**LEARNING OUTCOME 1**

**Explain the purpose of financial and management accounting (Weighting 25%)**

1.1 Understand the roles of financial and management accounting

1.2 Apply accounting principles, processes, and concepts to financial and management accounting data

1.3 Assess the needs of business stakeholders in relation to financial and management accounting information

**NUMBER OF SESSIONS:** Three - approximately ten hours in total. TUTOR PRESENTATION E1; Activities 1-5

**SESSION TOPICS:** Session 1: Purpose of financial and management accounting

Session 2: Accounting principles, processes and concepts

Session 3: Business stakeholders

**Note to tutors: These are the recommended session outlines for Learning Outcome 1 of the ABE Level 4 Finance for Managers. You should follow the plan, using the resources (referenced as ‘slides’) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: Purpose of financial and management accounting (3-4 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| Introduction to session and learning outcomes | Assessment Criterion 1.1: Explain the purpose of financial and management accounting – **Use E1 Tutor Presentation.pptx** | 1-4 | Listen |  |
| Financial vs management accounting | Use file: **LO1 Activity 1: Financial and management accountants**  Background – nature of the accounting function in business today. |  | Contribute to discussion and completion of Group Activity. | LO1 Activity 1: Financial and management accountants |
| Facilitate **Class Discussion:**   * The accounting process * Purpose of accounting records * Financial accounting records * Preparation of financial accounts | 5-9 | Contribute to class discussion |  |
| Draw discussion together by presenting the difference between financial and management accounting. | 10 | Listen, make notes and respond to questions |  |
| Accounting principles, processes and concepts | Assessment Criterion 1.2: Apply accounting principles, processes and concepts to financial and management accounting data | 11 |  |  |
| Class discussion on why concepts are needed.  Facilitate Individual activity **LO1 Activity 2: Accounting principles, policies and concepts.** Discuss the International Accounting Standards framework. | 12-13 | Contribute to class discussion.  Preparation of a mind map that shows principles, policies and concepts that need to be considered by sole traders, partnerships and limited companies. | LO1 Activity 2: Accounting principles, policies and concepts |
| Objectivity vs subjectivity | Give some examples of the importance of Objectivity and Subjectivity in accounting. | 14-15 | Listen and make notes. Contribute with your own ideas and examples. | Extension of LO1 Activity 2 – consider how the objectivity and subjectivity link to principles, policies and concepts. |
| Brief on **Homework Activity - LO1 Activity 3: Accounting principles, policies and concepts in practice** |  | Listen and ask questions as necessary  Individual activity as homework | Homework Activity - LO1 Activity 3: Accounting principles, policies and concepts in practice. |
| Review of session and learning outcomes |  |  | Listen and make notes. |  |

### SESSION 2: Accounting principles, processes and concepts (3-4 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Introduction to session and learning outcomes | Assessment Criterion 1.2: Apply accounting principles, processes and concepts to financial and management accounting data. **Use E1 Tutor Presentation.pptx** |  | Listen |  | |
|  | Facilitate feedback on **Homework Activity: LO1 Activity 3: Accounting principles, policies and concepts in practice** |  | Contribute to discussion  Using the final accounts downloaded for homework, review and identify in groups how the accounting principles, policies and concepts have been used in practice.  Listen and make notes |  | |
| Accounting principles, processes and concepts | Facilitate **Class** **Discussion** to bring out the following accounting concepts:   1. Accruals / matching 2. Consistency 3. Going concern 4. Prudence 5. Materiality 6. Money measurement 7. Historical cost 8. Realisation 9. Dual aspect 10. Business entity | 16-25 | Contribute to discussion  Listen and make notes |  | |
| Outline the meaning and purpose of the accounting principles of relevance, reliability and understandability. | 26 |  |  | |
| Capital and revenue expenditure | Facilitate **Class** **Discussion** to bring out the following points:   1. Types of capital and revenue expenditure and income 2. Importance of accurate recording of capital and revenue expenditure and income. | 27-28 | Contribute to discussion with examples and ideas  Listen and make notes |  |
| Review of session and learning outcomes |  |  | Listen and make notes |  |

**SESSION 3: Final accounts (3-4 hours)**

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** | |
| Introduction to session and learning outcomes | Assessment Criterion 1.3: Assess the needs of business stakeholders in relation to financial and management accounting information. **Use E1 Tutor Presentation.pptx** | 29 | Listen |  | |
| Inventory valuation | Facilitate **Class** **Discussion** to bring out the key points concerning:   * Raw materials * Work in progress * Finished goods * Goods for resale * Consumables | 30 | Contribute to the discussion  Listen and make notes |  | |
| Final accounts | Discuss final accounts with the class and facilitate individual activity **LO1 Activity 4: Assets and liabilities**  Coordinate feedback |  | Choose a business organisation. Identify non-current assets, current assets and current liabilities relevant to that business organisation. | LO1 Activity 4: Assets and liabilities | |
| Users of financial information | Facilitate **Class** **Discussion** to review the users of financial information, making the distinction between internal and external stakeholders:   1. Owners 2. Investors 3. Management 4. Employees 5. Potential/prospective owners 6. Business contacts 7. Analysts/advisers 8. Government 9. Public | 31-35 | Contribute to the discussion  Listen and make notes |  |
| Brief on **Homework - LO1 Activity 5**: **Accounting equation** |  | Listen and ask questions as necessary  Individual activity as homework | LO1 Activity 5: Accounting equation |
| Review of session and learning outcomes |  |  | Listen and make notes. |  |