

IMPORTANT NOTICE FROM OSBORNE BOOKS

November 2009

AQA AS and A2 Accounting exams: IAS changes for 2010

AQA has recently announced that in the AS and A2 Accounting examinations from June 2010 there will be a number of changes brought about by the increasing use of International Accounting Standards (IAS). These changes involve the dual use of IAS terminology and changes in the format and content of limited company income statements.

use of dual terminology – AS and A2 examinations

From June 2010, question papers and mark schemes for AS and A2 will incorporate dual terminology. This means that the traditional 'old' accounting terminology will be quoted alongside the 'new' International Accounting Standards (IAS) terminology as follows:

new term (old term), for example:

Income statement (Profit and loss account)

AQA has stated that for the next 'few years' either set of terms will be accepted by examiners when marking candidate responses.

Osborne Books will therefore for the time being continue to use the 'old' terminology in its AS and A2 textbooks, except in the A2 Unit 3 where the IAS terminology is already mandatory for limited company accounts.

Details of the required IAS terminology can be found in the document 'International Accounting Standards (IAS) Terminology' which can be downloaded from the AQA Teacher Resource Bank (www.aqa.org.uk).

financial statements – changes to AS Unit 2 examination (ACCN2)

AQA has introduced a number of IAS changes in AS Accounting Unit 2. These include:

- the use of the term 'income statement' instead of 'trading and profit and loss account'
- 'appropriation account' disappears and is partly replaced by a 'statement of changes in equity'
- 'proposed dividends' disappear and only dividends that are paid are shown in the accounts
- changes in terminology in the balance sheet

Details of the Unit 2 changes can be found in the document 'ACCN2 Update on IAS' which can be downloaded from the AQA Teacher Resource Bank (www.aqa.org.uk).

Supporting material from Osborne Books

Because these changes were announced only recently, Osborne Books is providing the following tutor support material on its website: www.osbornebooks.co.uk. New editions of the textbooks are planned for publication in due course.

The relevant downloads can be accessed from the website Resource Pages of the two textbooks *AS Accounting for AQA* and *A2 Accounting for AQA*. They include:

- *AS Accounting for AQA* - a revised Chapter 17 'Final Accounts of Limited Companies'
 - a revised set of answers for the student activities in Chapter 17
 - a comparative table of 'old' and IAS terminology
- *A2 Accounting for AQA* - a comparative table of 'old' and IAS terminology