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# Accounting

How to get an A1 in the Leaving Cert  
Accounting Exam



by **Michael R.**

*Michael R got an A1 in his higher Leaving Cert Accounting paper. He's now doing Dental Science in Trinity College Dublin. Here he shares what he learned.*

Accounting is one of the three business subjects for the Leaving Certificate Examination. It generally involves the preparation and analysis of financial statements to enable a business to make better decisions. There are two different types of accounting in the Leaving Certificate Accounting course; financial accounting and management accounting. Financial accounting involves keeping track of a company's financial transactions while management accounting involves the use of financial information to make better decisions for an organisation.

The Leaving Certificate Accounting exam is three hours in duration and is split into three different sections. Section 1 and 2 deal with financial accounting while Section 3 involves management accounting. In the guide below you can read my tips and advice on how to tackle the exam and what to expect.

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## How Do I Study Accounting?

Accounting is renowned for its high A rate. With an effective study technique, you will be well on your way to achieving a good grade. There are however, a few things I recommend that you do to get the most out of your time when studying Accounting. Follow the tips below to create the most efficient study tactics:

- **Understand the Principles:** To succeed in the exam, you must understand what you are doing and why you are doing it. For example, the most common rule in Accounting is that for every debit entry, you must also have a credit entry. When studying however, ask yourself why you are debiting a particular account or vice versa. This will prepare you for the day of the exam when you may be faced with a question that you have not seen before.
- **Learn the Theory:** While students tend to focus the majority of their time on the practical elements of the exam, you must remember that every question (apart from Question 1) has a theory question in it. In 2016, it was possible to get 53 marks out of the 400 total without even opening an account, had you answered all the theory questions correctly. This shows that *it is well worth your time learning the theory on the course*. Personally, I found debating cards particularly effective for doing this, as the theory on the course is quite concise.
- **Look at Trends:** While it is essential that you study every question that can be asked in the exam, remember that the same question has never appeared in the same section two years in a row. That's not to say that it won't happen this year but it would be foolish to spend all of your precious study time preparing a question that appeared in last year's exam! *Give extra attention to questions that haven't appeared in a few years.*



- **Practise Makes Perfect:** Accounting is a practical subject. Therefore, the only way that you will improve your grades is by practising the questions again and again. I found Studyclix very useful for this. I used to do a question, time myself and only look at the marking scheme once I had completed the question. This is the only way to see if you know the correct structure of the question and if you are up to speed. ***Remember that timing is an issue in the Accounting exam.*** After practicing a question a few times, you will find that your speed and accuracy will have improved. ***Practice is undoubtedly the key to success in this subject.***



## Section 1 - Financial Accounting - 120 marks (30%)

In this section, you must answer question 1 for 120 marks or two of questions 2,3 and 4 which are worth 60 marks each. The decision is of course, up to you as regards what option you are going to take. I would advise however, that you *know in advance of the exam what option you are going to take*, as choosing during the exam could lead you to waste some vital time. See your options in the table below:

Question 1 (Final Accounts)	Question 2, 3 and 4
Company	Depreciation of Fixed Assets
Sole Trader	Revaluation of Fixed Assets
Manufacturing	Debtors/Creditors Control Account
	Published Account
	Tabular Statement
	Service Firm
	Correction of Errors/Suspense
	Incomplete Records
	Club Accounts
	Cash Flow Statements
	Farm Accounts

Personally, I only prepared myself for the 120-mark Question 1. Realistically speaking, there are really only two questions that can come up in Question 1 as they have never asked the same account two years in a row. Moreover, the same adjustments tend to come up year after year in this question which makes continued practice a lot more fruitful and generally it's quicker to do than doing two 60 mark questions. To attempt this question though, you need to have covered all elements of the course.

## Tips:

- **Timing:** You should spend no more than 55 to 60 minutes on this section. In Question 1, take time to ensure that you have carried out the adjustments correctly as this is what the majority of marks are going for. You should be spending around 30-35 minutes doing the adjustments and the remainder should be spent slotting in the figures to the accounts. As you get closer to the day of the exam, spend time perfecting the adjustments, provided you know the layout of the question inside out. Always remember to ***check the trial balance for some unadjusted figures***. Forgetting these leads to the loss of some very easy marks.
- **Structure:** Spend time learning the layout of the accounts for Question 1. When I was doing this question, I would write out the layout of the accounts first and then put in all the figures as I met them. This reduces the possibility of you leaving out a figure and saves time.
- **Headings:** Remember to put a heading on top of each account, e.g. Trading P&L Account for year ended dd/mm/yyyy. You will be penalised if you leave this out, which again leads to easy marks being lost.



## Section 2 - Financial Accounting - 200 marks (50%)

In this section, you must answer two of the three 100-mark questions. There are numerous ways in which you can approach this section. Some people recommend doing questions 6 and 7 as they are either right or wrong and are more accessible for a student trying to get a H1. Personally, I don't agree. As question 5 appears on the paper every year, I would recommend doing it. While it is very hard to get full marks in it, it is not too hard to get 90% upwards provided that you have prepared sufficiently. This is in contrast to questions 6 or 7, where one small mistake could ruin the whole question. But go with what you're most comfortable with.

Question 5	Question 6 and 7
Interpretation of Accounts	Incomplete Records
	Service Firm
	Correction of Errors/ Suspense Accounts
	Published Accounts
	Tabular statements
	Club Accounts
	Cash- Flow Statements

- **Timing:** You should be spending about 45 minutes on each question in this section. I suggest that if you are doing Question 5, you leave it until you have finished all other questions in the exam as it's possible to adjust how much you can write in accordance to how much time you have left in the exam. This would not be the case however if you were finishing off an account at the end of the exam.
- **Ratios:** If you are doing Question 5, make sure you know the formulae of the ratios inside out. *Practice writing them out on a regular basis.* They will be needed in part A and B of the



question, which is usually worth a total of 85 marks. Part A, which is the calculation of ratios will probably be the easiest 50 marks (12.5%) of the exam that you are going to get once you know the ratios! Also in Question 5, you must ***follow to format of 1) calculate, 2) compare and 3) comment when analysing the company's performance.***

- 1) **Calculate:** This involves working out the appropriate ratio. Do not forget the appropriate label e.g. % or times.
- 2) **Compare:** This involves comparing the ratio with last year's or the ideal ratio figures.
- 3) **Comment:** Say whether it is a good or bad trend for the business. You must demonstrate that you understand the trend and not just whether there has been an increase or a decrease.

Examiners will be looking for this layout and if you don't have it, you are liable to lose a lot of marks! This layout must be followed when analysing numerous aspects of the firm's performance such as profitability, liquidity etc. I suggest referring to past marking schemes to see what the SEC are expecting from you.

- **Theory questions:** The theory questions in this section are often worth 10- 15 marks. Generally, go on the basis that every 3 marks requires you to make one point. Only give relevant information based on the accounts prepared as this is what is rewarded.





## Section 3 - Management Accounting - 80 marks (20 %)

In this section, I only prepared for Question 9, the budgeting question. I think it is better to know one question really well than half-know the two questions. This question fails to vary much year on year, so if you know the 4 different budgets, you should get a good score in this section.

Question 8	Question 9
Overhead apportionment and reapportionment	Production budget
Product costing	Cash budget
Stock valuation	Production budget and Cash Budget together
Under -/over absorption of overheads	Flexible budget
Marginal costing	
Marginal costing with absorption costing	
Marginal costing with flexible budget	

- **Timing:** You should spend about 35 minutes doing this section. Personally I found this section a little easier than the other two. During the exam, I was struggling during Section 2, so I left it, did this question and then returned to complete Section 2. Accounting is very much a confidence-based exam. If one thing goes wrong, there tends to be a domino effect. It's therefore *important that you know your strengths and weaknesses so you can revert back to your strengths when you reach a rough patch during the exam.*
- **Page Layout:** If you aren't using ruled accounting paper in the exam, make sure you rule out the budgeting question in such a way that you leave enough space to put a figure in for each months. There really is nothing worse for an examiner than having to look at messy work and it is worth making the effort to have them in a good mood when they are correcting your script.



## Some Final Tips

- **Workings:** Make sure to *label all your workings for each question* and hand them with your script. Many people get A1s without getting their accounts to balance and this is because the examiner can look at their workings and give them attempt marks that they otherwise wouldn't have been able to give. It is important however that workings are kept *neat and tidy* so the examiner can clearly establish where you went wrong.
- **The Order of the Exam:** As I mentioned previously, it's not necessary that you do the exam the way it's set out. By all means, jump ahead to Section 3 and do that first if that's what you are comfortable with. Personally however, I suggest that you do Section 1 first. This section requires the most concentration and should be done

when your mind is at its freshest. It is impossible to have full concentration for the full three hours, so you must approach the exam in such a way that you don't have to think on the spot or problem solve when you are beginning to get stuck for time. This is why I left Question 5 until last when I was doing the exam.

- **Timing:** I cannot stress how important it is that you *keep an eye on the clock during the exam*. There is no point in just starting your last question when the exam is about to finish. You must get the most amount of marks out of the time allocated to you! Also, I suggest that the minute that you are given the answer booklet in the exam, start ruling out the paper for the various questions. This will save valuable time in the exam that you will not get back!





*Finally, I would like wish you  
the best of luck in the exam!  
You will be fine. 😊*

