



MAINTAINING FINANCIAL  
RECORDS (FA2)

# Syllabus and study guide

SEPTEMBER 2024 TO AUGUST 2025

Designed to help with planning study and to  
provide detailed information on what could be  
assessed in any examination session



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## **1. Overall aim of the syllabus**

To develop knowledge and understanding of the underlying principles and concepts relating to maintaining financial records and technical proficiency in the use of double-entry bookkeeping including the preparation of basic financial statements.

## **2. Introduction to the syllabus**

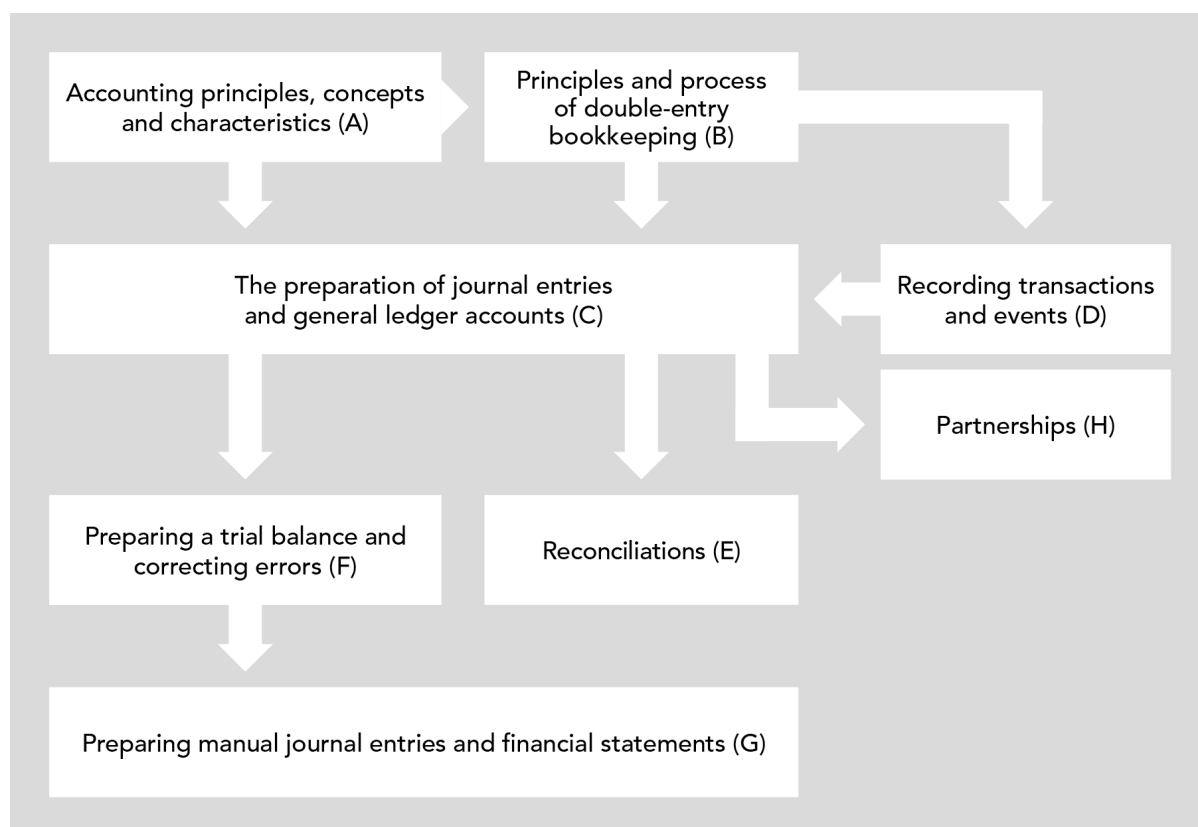
The syllabus for FA2 introduces the context and purpose of maintaining financial records with reference to accounts preparation. The syllabus then concentrates in-depth on double-entry bookkeeping and on recording, processing and reporting business transactions and events, including the specific accounting for non-current assets. It also covers how to identify and correct errors, including the use of reconciliations and the posting of year-end adjustments. Finally, candidates will use the knowledge and skills developed earlier in the syllabus to prepare financial statements for sole traders and partnerships.

### 3. Main capabilities

On successful completion of this exam, candidates should be able to:

- A Explain accounting principles, concepts and characteristics
- B Describe the principles and process of double-entry bookkeeping
- C Prepare journal entries and general ledger accounts
- D Record transactions and events
- E Perform reconciliations
- F Prepare a trial balance (including identifying and correcting errors)
- G Process year-end manual journal entries and prepare financial statements
- H Account for partnerships.

**Relational diagram of main capabilities:**



## 4. Intellectual levels

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels on their way through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore, a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript <sup>K</sup> and the assessment of skills is denoted by the superscript <sup>S</sup>.

## 5. The syllabus

### **A Accounting principles, concepts and characteristics**

1. The key principles, concepts and characteristics of accounting
2. Maintaining financial records
3. The regulatory framework

### **B The principles and process of double-entry bookkeeping**

1. The elements of financial statements
2. Recording financial data and the flow of accounting information in the production of financial statements

### **C The preparation of journal entries and general ledger accounts**

1. Preparation of journal entries
2. Preparation of general ledger accounts

### **D Recording transactions and events**

1. Sales and purchases
2. Cash and bank
3. Inventories
4. Tangible non-current assets and depreciation
5. Accrued expenses (accruals), prepaid expenses (prepayments), accrued income and deferred income
6. Receivables, payables and provisions
7. Capital and finance costs

### **E Reconciliations**

1. Bank reconciliation
2. Trade payables account reconciliation

### **F Preparing a trial balance and correcting errors**

1. Preparing a trial balance
2. Correction of errors using manual journal entries

### **G Preparing financial statements**

1. Preparation of the financial statements, including incomplete records

### **H Partnerships**

1. Partnership agreement
2. Partnership accounting records
3. Partnership financial statements and change in partnership

## 6. Detailed study guide

### A Accounting principles, concepts and characteristics

#### 1. The key principles, concepts and characteristics of accounting

- a) Explain key principles and concepts of accounting.<sup>[K]</sup>
  - i) Going concern
  - ii) Accrual accounting
  - iii) Materiality
  - iv) Consistency
  - v) Prudence
  - vi) Duality
  - vii) Business entity
  - viii) Historical cost
- b) Explain the qualitative characteristics of useful financial information.<sup>[K]</sup>
  - i) Relevance
  - ii) Faithful representation
  - iii) Comparability
  - iv) Verifiability
  - v) Timeliness
  - vi) Understandability

#### 2. Maintaining financial records

- a) Explain the importance of maintaining financial records for internal and external use.<sup>[K]</sup>
- b) Describe the type of accounting records that a business should maintain and the main uses of these records.<sup>[K]</sup>
- c) Describe the key features of a computerised accounting system, including the use of external servers to store data (the cloud).<sup>[K]</sup>

#### 3. The regulatory framework

- a) Describe the main requirements of IFRS® Accounting Standards in relation to syllabus area D.<sup>[K]</sup>

### B The principles and process of double-entry bookkeeping

#### 1. The elements of financial statements

- a) Explain the meaning of the accounting equation and demonstrate its impact on double-entry bookkeeping.<sup>[K]</sup>
- b) Describe the meaning of income, expenses, assets, liabilities and capital in an accounting context.<sup>[K]</sup>
- c) Describe the components of financial statements for a sole trader.<sup>[K]</sup>

#### 2. Recording financial data and the flow of accounting information in the production of financial statements

- a) Explain how financial data is initially recorded in the accounting system.<sup>[K]</sup>
- b) Identify reasons for closing off general ledger accounts and producing a trial balance.<sup>[K]</sup>
- c) Explain the process of preparing a set of financial statements from a trial balance.<sup>[K]</sup>

### C The preparation of journal entries and general ledger accounts

#### 1. Preparation of journal entries

- a) Prepare journal entries to record transactions in an appropriate format.<sup>[S]</sup>

#### 2. Preparation of general ledger accounts

- a) Explain the purpose and use of general ledger accounts.<sup>[K]</sup>
- b) Post journal entries into the appropriate general ledger account.<sup>[S]</sup>

- c) Illustrate the year-end procedures on the general ledger accounts, bringing forward and carrying forward balances as appropriate.<sup>[S]</sup>

## **D Recording transactions and events**

### **1. Sales and purchases**

- a) Record sales and purchase transactions.<sup>[S]</sup>
- b) Record sales and purchase returns.<sup>[S]</sup>
- c) Account for discounts received.<sup>[S]</sup>
- d) Account for the following discounts allowed to customers in accordance with IFRS® Accounting Standards:<sup>[S]</sup>
  - i) trade discounts
  - ii) settlement discounts.
- e) Identify sources of information on sales tax and explain the relationship between the entity and the relevant government agency (revenue/ tax authority).<sup>[K]</sup>
- f) Explain the general principles of the operation of a sales tax including:<sup>[K]</sup>
  - i) requirements for registration
  - ii) main information to be included on business documentation
  - iii) types of taxable supplies and their classification for sales tax
  - iv) accounting for and payment of sales tax
  - v) penalties for late returns or late payment of sales tax.
- g) Explain the different methods of accounting for and reporting of sales tax.<sup>[K]</sup>
- h) Identify and obtain sales tax data from the accounting system.<sup>[S]</sup>

- i) Calculate sales tax on inputs (purchases) and outputs (sales), enter the appropriate information into the accounting system and calculate the sales tax due to/ from the business.<sup>[S]</sup>
- j) Illustrate the main components of a sales tax return.<sup>[S]</sup>
- k) Calculate the cash flow impact on the business of the payment of sales tax and the potential impact on the business of any changes in legislation for sales tax.<sup>[S]</sup>

### **2. Cash and bank**

- a) Record cash and bank transactions in general ledger accounts.<sup>[S]</sup>
- b) Report cash and bank balances in the financial statements.<sup>[S]</sup>

### **3. Inventories**

- a) Describe the need for adjustments for inventories when preparing financial statements.<sup>[K]</sup>
- b) Record cost of sales and closing inventories.<sup>[S]</sup>
- c) Identify and apply the alternative methods of valuing inventories.<sup>[K]</sup>
- d) Explain and apply the requirements of IFRS® Accounting Standards for valuing inventories.<sup>[S]</sup>
- e) Identify which costs should be included when measuring inventories.<sup>[K]</sup>
- f) Explain the use of continuous and period-end inventories records.<sup>[K]</sup>
- g) Calculate the value of closing inventories using 'FIFO' (first in, first out) and 'AVCO' (average cost) – both periodic weighted average and continuous weighted average.<sup>[S]</sup>

- h) Identify the impact of inventories valuation methods on profit, assets and capital, including:<sup>[S]</sup>
  - i) periodic weighted average
  - ii) continuous weighted average
  - iii) FIFO
  - iv) Report inventories in the financial statements.<sup>[S]</sup>

#### 4. Tangible non-current assets and depreciation

- a) Define non-current assets.<sup>[K]</sup>
- b) Explain the difference between current and non-current assets.<sup>[K]</sup>
- c) Explain the difference between asset (capitalised) and expense items.<sup>[K]</sup>
- d) Classify expenditure as asset expenditure (capitalised) or expenses charged to profit or loss.<sup>[S]</sup>
- e) Explain the impact of misclassification of asset expenditure as expenses and vice versa on the statement of profit or loss and the statement of financial position.<sup>[K]</sup>
- f) Prepare journal entries to record the acquisition and disposal of non-current assets (including part exchange) in accordance with IFRS® Accounting Standards.<sup>[S]</sup>
- g) Calculate and record gains or losses on disposal of non-current assets in the statement of profit or loss, including part exchange transactions and scrapping of assets.<sup>[S]</sup>
- h) Explain the purpose of depreciation.<sup>[K]</sup>
- i) Calculate depreciation charge using straight-line and diminishing-balance (reducing-balance) methods.<sup>[S]</sup>
- j) Identify the circumstances where different methods of calculating depreciation would be appropriate.<sup>[K]</sup>

- k) Illustrate how the depreciation expense and accumulated depreciation are recorded in general ledger accounts.<sup>[S]</sup>
- l) Explain the purpose and function of a non-current asset register.<sup>[K]</sup>
- m) Prepare the non-current asset register for all or part of the following:<sup>[S]</sup>
  - i) Acquisition, including authorisation
  - ii) Part exchange and cash non-current asset purchases
  - iii) Depreciation

- n) Identify and resolve any discrepancies relating to the accounting records for non-current assets.<sup>[S]</sup>

- o) Report non-current assets and depreciation in the financial statements.<sup>[S]</sup>

#### 5. Accrued expenses (accruals), prepaid expenses (prepayments), accrued income and deferred income

- a) Apply accrual accounting to accruals, prepayments, accrued income and deferred income.<sup>[S]</sup>
- b) Calculate the adjustments needed for accruals, prepayments, accrued income and deferred income when preparing financial statements.<sup>[S]</sup>
- c) Illustrate the process of adjusting for accruals, prepayments, accrued income and deferred income when preparing financial statements.<sup>[S]</sup>
- d) Prepare manual journal entries and update the general ledger accounts for the creation and reversal of accruals, prepayments, accrued income and deferred income.<sup>[S]</sup>
- e) Identify the impact of accruals, prepayments, accrued income and deferred income on profit, net assets and capital.<sup>[K]</sup>

- f) Report accruals, prepayments, accrued income and deferred income in the financial statements.<sup>[S]</sup>

## 6. Receivables, payables and provisions

- a) Explain and identify examples of receivables and payables.<sup>[K]</sup>
- b) Prepare manual journal entries to write off an irrecoverable debt.<sup>[S]</sup>
- c) Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position.<sup>[S]</sup>
- d) Calculate the movement in the allowance for irrecoverable debts and the closing balance.<sup>[S]</sup>
- e) Prepare manual journal entries to create and adjust an allowance for irrecoverable debts.<sup>[S]</sup>
- f) Illustrate how to include movements in the allowance for irrecoverable debts in the statement of profit or loss and how the closing balance of the allowance should be reported in the statement of financial position.<sup>[S]</sup>
- g) Account for contras between trade receivables and trade payables.<sup>[S]</sup>
- h) Explain the nature of provisions and liabilities in accordance with IFRS<sup>®</sup> Accounting Standards.<sup>[K]</sup>
- i) Distinguish between a provision and other liabilities.<sup>[S]</sup>
- j) Account for provisions and other liabilities.<sup>[S]</sup>
- k) Report provisions and other liabilities in the financial statements.<sup>[S]</sup>

## 7. Capital and finance costs

- a) Distinguish between capital injected by the business owner(s) and amounts received from third parties for an unincorporated business (sole trade/partnership).<sup>[K]</sup>
- b) Demonstrate the impact of changes in capital on the financial statements.<sup>[K]</sup>
- c) Prepare the capital general ledger account for an unincorporated business.<sup>[S]</sup>

## E Reconciliations

### 1. Bank reconciliation

- a) Explain the purpose of reconciling the bank general ledger account to the corresponding bank statement or internet banking records.<sup>[K]</sup>
- b) Prepare the reconciliation of the bank general ledger account to the bank statement or internet banking records.<sup>[S]</sup>
- c) Identify errors and omissions in the bank general ledger account and the bank statement or internet banking records.<sup>[K]</sup>
- d) Identify timing differences in a bank reconciliation.<sup>[K]</sup>
- e) Make correcting entries in the bank general ledger account.<sup>[S]</sup>
- f) Identify the bank balance to be reported in the financial statements.<sup>[K]</sup>

### 2. Trade payables account reconciliations

- a) Explain the purpose of reconciling the trade payables general ledger account to external documents.<sup>[K]</sup>
- b) Prepare a reconciliation of the trade payables general ledger account to supplier statements.<sup>[S]</sup>

- c) Identify errors and omissions in the trade payables general ledger account and supplier statements.<sup>[S]</sup>
- d) Make correcting entries in the trade payables general ledger account.<sup>[S]</sup>
- e) Identify the trade payables balance to be reported in the financial statements.<sup>[S]</sup>

## F Preparing a trial balance and correcting errors

### 1. Preparing a trial balance

- a) Explain the purpose of the trial balance.<sup>[K]</sup>
- b) Distinguish between errors which will be detected by extracting a trial balance and those which will not.<sup>[S]</sup>
- c) Calculate and explain the impact of errors on the statement of profit or loss and the statement of financial position.<sup>[S]</sup>
- d) Identify the limitations of the trial balance.<sup>[K]</sup>
- e) Prepare the initial trial balance.<sup>[S]</sup>
- f) Explain the process of finalising the trial balance.<sup>[K]</sup>
- g) Explain and record year-end adjustments on the trial balance, including:<sup>[S]</sup>
  - i) Inventories
  - ii) Non-current asset transactions
  - iii) Depreciation
  - iv) Accruals, prepayments, accrued income and deferred income
  - v) Allowance for irrecoverable debts
  - vi) Irrecoverable debts
  - vii) Provisions
- h) Prepare a final trial balance including calculating the final reported profit or loss.<sup>[S]</sup>

- i) Prepare the opening trial balance for the next accounting period.<sup>[S]</sup>

### 2. Correction of errors using manual journal entries

- a) Explain the purpose of and reasons for creating a suspense account.<sup>[K]</sup>
- b) Identify different types of bookkeeping errors, including those that result in suspense accounts.<sup>[K]</sup>
- c) Describe the action required to correct errors, including clearing any suspense accounts.<sup>[K]</sup>
- d) Prepare correcting manual journal entries and update the general ledger accounts and trial balance for any corrections made.<sup>[S]</sup>
- e) Explain how the financial statements are affected by the correction of errors.<sup>[S]</sup>

## G Preparing financial statements

### 1. Preparation of the financial statements, including incomplete records

- a) Explain the process of preparing a set of financial statements from a trial balance.<sup>[K]</sup>
- b) Explain the format and purpose of the statement of profit or loss and the statement of financial position for a sole trader.<sup>[K]</sup>
- c) Prepare the financial statements for a sole trader from a trial balance.<sup>[S]</sup>
- d) Describe the circumstances which lead to incomplete records.<sup>[K]</sup>
- e) Describe the methods of constructing accounts from incomplete records.<sup>[K]</sup>

- f) Prepare the financial statements or elements thereof using incomplete record techniques such as:<sup>[S]</sup>
  - i) Markups and margins
  - ii) General ledger accounts to derive missing figures
  - iii) Manipulation of the accounting equation

## **H Partnerships**

### **1. Partnership agreement**

- a) Define a partnership.<sup>[K]</sup>
- b) Explain the purpose and content of a partnership agreement.<sup>[K]</sup>
- c) Explain, calculate and account for appropriations of profit:<sup>[S]</sup>
  - i) Salaries of partners
  - ii) Interest on drawings
  - iii) Interest on capital
  - iv) Share of residual profit or loss

### **2. Partnership accounting records**

- a) Explain the difference between partners' capital and current accounts.<sup>[K]</sup>
- b) Prepare the partners' capital and current accounts.<sup>[S]</sup>

### **3. Partnership financial statements and change in partnership**

- a) Prepare the financial statements for a partnership.<sup>[S]</sup>
- b) Explain and account for the admission of a new partner including the treatment of any goodwill arising.<sup>[S]</sup>

Note: Candidates will not be expected to calculate the value of goodwill in a partnership

## 7. Summary of changes to Maintaining Financial Records (FA2)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers. Due to the changes made to the 2024/25 study guide, the following guide has been prepared.

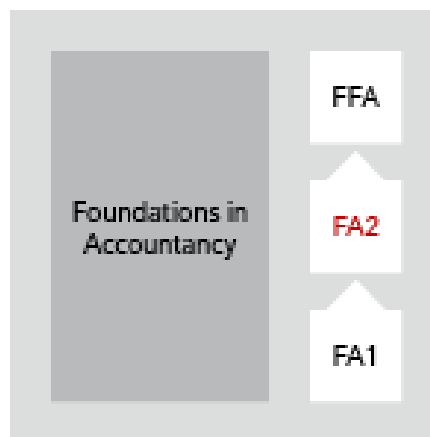
SLO	Summary of changes
General	Grammatical and structural changes have been made to the syllabus but this has no impact on the knowledge required for meeting learning outcomes.
General	Removed specific IAS/ IFRS and replaced with "IFRS® Accounting Standards" for consistency with Financial Accounting, Financial Reporting and Strategic Business Reporting. Specific IAS/ IFRS are included in the Examinable Documents.
A1 a) ii)	Changed "Accrual basis" to "Accrual accounting"
A1 a) vi)	Changed "Duality (dual aspect)" to "Duality"
B	Changed "basic bookkeeping" to "double-entry bookkeeping"
B1 a)	Changed "the double entry booking system" to "double-entry bookkeeping"
C	Changed "journals" to "journal entries"
D1 e)	Changed "government agency" to "government agency (revenue/ tax authority)"
D2 b)	Changed "opening" to "cost of sales"
D2 e)	Changed "valuing" to "measuring"
D4 c)	Changed "asset and expense items" to "asset (capitalised) and expense items"
D4 d)	Changed "asset expenditure" to "asset expenditure (capitalised)"
D4 k)	Changed "depreciation expense" to "depreciation charge"
D5 a)	Changed "the accrual basis of accounting" to "accrual accounting"
D5 d)	Changed "Prepare journal entries" to "Prepare manual journal entries"
D6 b)	Changed "Prepare journal entries" to "Prepare manual journal entries"
D6 c)	Changed to "Record" to "Prepare the manual journal entry to record"
D6 f)	Changed "Prepare journal entries" to "Prepare manual journal entries"
D6 j)	Changed "Distinguish between a provision and a liability" to "Distinguish between a provision and other liabilities"
D6 k)	Changed "Account for provisions and liabilities" to "Account for provisions and other liabilities"
D6 l)	Changed to "Report provisions and liabilities in the financial statements" to "Report provisions and other liabilities in the financial statements"
F2	Changed "Correction of errors" to "Correction of errors using manual journal entries"
F2 d)	Changed "correcting journal entries" to "correcting manual journal entries"
Note	Changed "goodwill" to "goodwill in a partnership"

## 8. Approach to examining the syllabus

The syllabus is assessed by a two-hour computer-based examination. Questions will assess all parts of the syllabus and will include both computational and non-computational elements. The examination will consist of 50 two-mark questions.

## 9. Relational diagram linking Maintaining Financial Records (FA2) with other exams

The FIA suite of qualifications is designed so that a student can progress through three discrete levels: RQF Level 2, 3, and 4. However, entry is possible at any point. Students are recommended to enter FIA at the level which is most appropriate to their needs and abilities and to take examinations in order but this is not a requirement.



## 10. Guide to ACCA examination structure and delivery mode

The structure of examinations varies.

The Foundations in Accountancy (FIA) examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All FIA examinations are assessed by two-hour computer-based examinations.

The pass mark for all FIA examinations is 50%.

## 11. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified. For specified financial accounting, audit and tax examinations, except where indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For this examination, regulation issued or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the exam (where relevant) for further information.

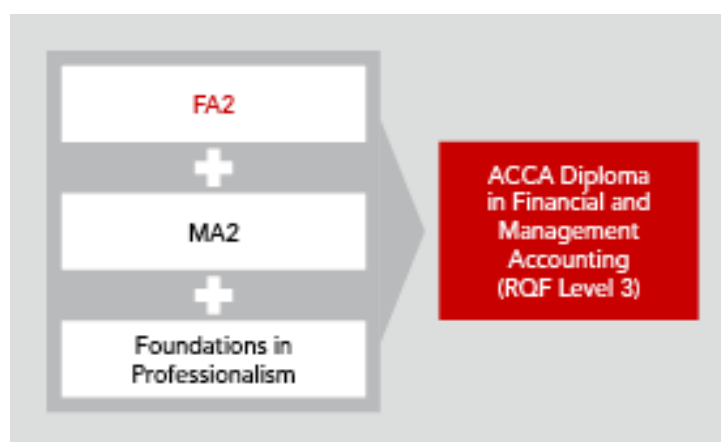
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the effective date is in the future. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

## 12. Qualification structure

The qualification structure requires candidates who wish to be awarded the ACCA Diploma in Financial and Management Accounting (RQF Level 3) to pass both the FA2 and MA2 examinations and successfully complete the Foundations in Professionalism module.



## 13. Learning hours and education recognition

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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