

Summary

3.4 Final Accounts

Subject	Year	Start date	Duration
Business Management	IB1	Week 1, January	2 weeks 8 hours

Course Part

Unit 3 Finance and Accounts

Description

By the end of this Subtopic 3.4 - Final accounts, you should be able to:

- Construct the profit and loss account and interpret the results.
- Construct the balance sheet and interpret the results.
- Identify which stakeholders would be interested in the final accounts of a business.
- Explain why different stakeholders would be interested in the final accounts of a business.
- Analyse the purpose of accounts to different stakeholders.
- Define the term *intangible assets* and give examples.
- Discuss some of the accounting practices associated with intangible assets.
- Examine how ethics can be part of the principles used in accounting.
- Define the term *depreciation*.
- Calculate depreciation using the straight line method.
- Calculate depreciation using the reducing/declining balance method.
- Analyse the strengths and limitations of each method.
- Analyse the strengths and weaknesses of using final accounts.

Inquiry & Purpose

Inquiry / Higher Order Questions

Type

Inquiry Questions

Content-based

What is the role of interpretation in accounting? For example, could we compare businesses by just looking at their financial statements?

Curriculum

Aims

Empower students to think critically and strategically about individual and organizational behaviour


Objectives

Demonstrate knowledge and understanding of

the business management tools, techniques and theories specified in the syllabus content

Demonstrate synthesis and evaluation of

business decisions, formulating recommendations

 Syllabus Content

Unit 3: Finance and accounts

3.4 Final accounts (some HL only)

The purpose of accounts to different stakeholders

The principles and ethics of accounting practice

Final accounts: profit and loss account, balance sheet

Different types of intangible assets

Depreciation using the following methods: straight line method, reducing/declining balance method (HL)

The strengths and weaknesses of each method (HL)

 Concepts

Strategy

Strategy refers to the significant long-term planning decisions that organizations make in order to meet the needs and wants of their stakeholders. Strategy is about asking questions: what, why, when, how, where and who?

 ATL Skills

 Approaches to Learning

 **Thinking**

- In this unit, we will

reward a new personal understanding, solution or approach to an issue

help students to make their thinking more visible (for example, by using a strategy such as a thinking routine)

 **Social**

- In this unit, we will

provide an opportunity for students to analyse the impact of their behaviour on the class or on a group performance

provide opportunities for students to make decisions

IB DP Business Management Ms Wood 2020 - 2022 (IB1)



Developing IB Learners

☆ Learner Profile



Open-minded



Caring