



Syllabus

Cambridge International AS & A Level Accounting 9706

Use this syllabus for exams in 2026, 2027 and 2028.
Exams are available in the June and November series.
Exams are also available in the March series in India.



Why choose Cambridge International?

Cambridge International prepares school students for life, helping them develop an informed curiosity and a lasting passion for learning. We are part of the University of Cambridge.

Our Cambridge Pathway gives students a clear path for educational success from age 5 to 19. Schools can shape the curriculum around how they want students to learn – with a wide range of subjects and flexible ways to offer them. It helps students discover new abilities and a wider world, and gives them the skills they need for life, so they can achieve at school, university and work.

Our programmes and qualifications set the global standard for international education. They are created by subject experts, are rooted in academic rigour and reflect the latest educational research. They provide a strong platform for students to progress from one stage to the next, and are well supported by teaching and learning resources. Learn more about our research at www.cambridgeassessment.org.uk/our-research/

We review all our syllabuses regularly, so they reflect the latest research evidence and professional teaching practice – and take account of the different national contexts in which they are taught.

We consult with teachers to help us design each syllabus around the needs of their learners. Consulting with leading universities has helped us make sure our syllabuses encourage students to master the key concepts in the subject and develop the skills necessary for success in higher education.

We believe education works best when curriculum, teaching, learning and assessment are closely aligned. Our programmes develop deep knowledge, conceptual understanding and higher-order thinking skills, to prepare students for their future. Together with schools, we develop Cambridge learners who are confident, responsible, reflective, innovative and engaged – equipped for success in the modern world.

Every year, nearly a million Cambridge students from 10 000 schools in 160 countries prepare for their future with the Cambridge Pathway.

School feedback: ‘We think the Cambridge curriculum is superb preparation for university.’

Feedback from: Christoph Guttentag, Dean of Undergraduate Admissions, Duke University, USA



Quality management

Cambridge International is committed to providing exceptional quality. In line with this commitment, our quality management system for the provision of international education programmes and qualifications programmes for students aged 5 to 19 is independently certified as meeting the internationally recognised standard, ISO 9001:2015. Learn more at www.cambridgeinternational.org/about-us/our-standards/

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Important: Changes to this syllabus

The latest syllabus is version 2, published December 2025. There are no significant changes which affect teaching.

Any textbooks endorsed to support the syllabus for examination from 2023 are still suitable for use with this syllabus.

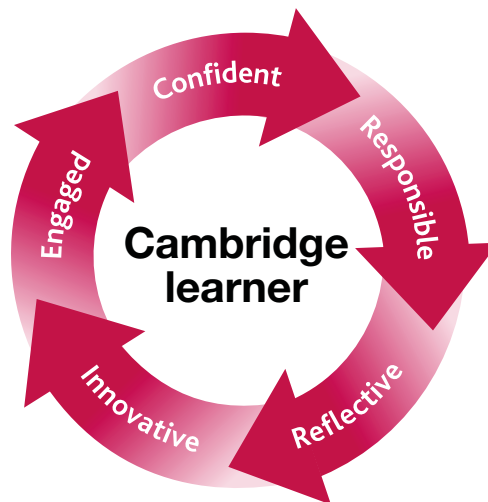
1 Why choose this syllabus?

Key benefits

The best motivation for a student is a real passion for the subject they are learning. By offering students a variety of Cambridge International AS & A Levels, you can give them the greatest chance of finding the path of education they most want to follow. With over 50 subjects to choose from, students can select the ones they love and that they are best at, which helps motivate them throughout their studies.

Following a Cambridge International AS & A Level programme helps students develop abilities which universities value highly, including:

- a deep understanding of their subjects
- higher order thinking skills – analysis, critical thinking, problem solving
- presenting ordered and coherent arguments
- independent learning and research.



Cambridge International AS & A Level Accounting engages students with the relevance and applicability of accounting in real-world contexts and encourages interest in the role and responsibilities of the accountant.

Studying this subject helps students to understand, apply, analyse and evaluate accounting information to aid decision-making in business and communicate information to stakeholders.

These transferable skills are an ideal foundation for further study and for a future career within accounting or related professions.

Our approach in Cambridge International AS & A Level Accounting encourages learners to be:

confident, using accounting terminology and formats, preparing and analysing financial statements and learning to communicate accounting information to stakeholders

responsible, considering how the ethical behaviour of accountants and auditors impacts the business and other stakeholders

reflective, considering how the concepts and accounting standards underpin the preparation of accounts and impact on the actions of the accountant

innovative, approaching learning and application with flexible and substantiated thinking

engaged, developing an interest in broader and evolving accounting issues, and exploring the range of types of business for which a robust accounting system is required.

School feedback: 'Cambridge students develop a deep understanding of subjects and independent thinking skills.'

Feedback from: Principal, Rockledge High School, USA

Key concepts

Key concepts are essential ideas that help students develop a deep understanding of their subject and make links between different aspects. Key concepts may open up new ways of thinking about, understanding or interpreting the important things to be learned.

Good teaching and learning will incorporate and reinforce a subject's key concepts to help students gain:

- a greater depth as well as breadth of subject knowledge
- confidence, especially in applying knowledge and skills in new situations
- the vocabulary to discuss their subject conceptually and show how different aspects link together
- a level of mastery of their subject to help them enter higher education.

The key concepts identified below, carefully introduced and developed, will help to underpin the course you will teach. You may identify additional key concepts which will also enrich teaching and learning.

The key concepts for Cambridge International AS & A Level Accounting are:

- **A true and fair view**
Financial statements are designed to give a true and fair view of the financial position, performance and changes in financial position of the business to internal and external stakeholders.
- **Duality**
Duality in accounting recognises that every financial transaction has a double (or dual) effect on the position of a business as recorded in the accounts.
- **Consistency**
Consistency in the treatment of financial transactions enables the performance of a business to be compared meaningfully over different time periods.
- **Business entity**
A business is a separate legal entity from the owner of a business. The accounting records must relate only to the business and not to the personal assets and spending of the owner.
- **Money measurement**
Financial accounts only include items and transactions that can be expressed in terms of money. For example, the purchase of raw material is recorded in the accounts whereas staff creativity is not.
- **Planning and control**
Management accounting provides a framework for a business to plan and control its finances and enables informed decision-making.

International recognition and acceptance

Our expertise in curriculum, teaching and learning, and assessment is the basis for the recognition of our programmes and qualifications around the world. Every year thousands of students with Cambridge International AS & A Levels gain places at leading universities worldwide. Our programmes and qualifications are valued by top universities around the world including those in the UK, US (including Ivy League universities), Europe, Australia, Canada and New Zealand.

UK ENIC, the national agency in the UK for the recognition and comparison of international qualifications and skills, has carried out an independent benchmarking study of Cambridge International AS & A Level and found it to be comparable to the standard of AS & A Level in the UK. This means students can be confident that their Cambridge International AS & A Level qualifications are accepted as equivalent, grade for grade, to UK AS & A Levels by leading universities worldwide.

Cambridge International AS Level Accounting makes up the first half of the Cambridge International A Level course in accounting and provides a foundation for the study of accounting at Cambridge International A Level. The AS Level can also be delivered as a standalone qualification. Depending on local university entrance requirements, students may be able to use it to progress directly to university courses in accounting or some other subjects. It is also suitable as part of a course of general education.

Cambridge International A Level Accounting provides a foundation for the study of accounting or related courses in higher education. Equally it is suitable as part of a course of general education.

For more information about the relationship between the Cambridge International AS Level and Cambridge International A Level see the 'Assessment overview' section of the Syllabus overview.

We recommend learners check the Cambridge recognition database and university websites to find the most up-to-date entry requirements for courses they wish to study.

Learn more at www.cambridgeinternational.org/recognition

Supporting teachers

We believe education is most effective when curriculum, teaching and learning, and assessment are closely aligned. We provide a wide range of resources, detailed guidance, innovative training and targeted professional development so that you can give your students the best possible preparation for Cambridge International AS & A Level. To find out which resources are available for each syllabus go to

www.cambridgeinternational.org/support

The School Support Hub is our secure online site for Cambridge teachers where you can find the resources you need to deliver our programmes. You can also keep up to date with your subject and the global Cambridge community through our online discussion forums.

Find out more at www.cambridgeinternational.org/support

Support for Cambridge International AS & A Level			
Planning and preparation <ul style="list-style-type: none"> • Syllabuses • Schemes of work • Specimen Question Papers and Mark Schemes • Teacher guides 	Teaching and assessment <ul style="list-style-type: none"> • Endorsed resources • Online forums • Support for coursework and speaking tests 	Learning and revision <ul style="list-style-type: none"> • Example candidate responses • Past papers and mark schemes • Specimen paper answers 	Results <ul style="list-style-type: none"> • Candidate Results Service • Principal examiner reports for teachers

Sign up for email notifications about changes to syllabuses, including new and revised products and services, at www.cambridgeinternational.org/syllabusupdates

Syllabuses and specimen materials represent the final authority on the content and structure of all of our assessments.

Professional development

Find the next step on your professional development journey.

- Introductory Professional Development – An introduction to Cambridge programmes and qualifications.
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- Enrichment Professional Development – Transform your approach to teaching with our Enrichment workshops.
- Cambridge Professional Development Qualifications (PDQs) – Practice-based programmes that transform professional learning for practising teachers. Available at Certificate and Diploma level.

Find out more at:

www.cambridgeinternational.org/support-and-training-for-schools/professional-development/



Supporting exams officers

We provide comprehensive support and guidance for all Cambridge exams officers.

Find out more at: www.cambridgeinternational.org/eoguide

2 Syllabus overview

Aims

The aims describe the purposes of a course based on this syllabus.

The aims are to enable students to:

- understand the role of accounting as an information system for monitoring, problem-solving and decision-making
- appreciate the ethical issues that underpin the practice of accounting and their impact on the behaviour of the accountant and of businesses
- appreciate the place of accounting in managing business change in response to economic, social and technological developments
- develop the ability to apply and evaluate accounting concepts, principles, policies and practices
- develop skills of communication, analysis, interpretation and presentation of both qualitative and quantitative accounting information
- develop skills and knowledge needed for further study or employment in accounting or business.

Cambridge Assessment International Education is an education organisation and politically neutral. The contents of this syllabus, examination papers and associated materials do not endorse any political view. We endeavour to treat all aspects of the exam process neutrally.



Content overview

Cambridge International AS Level students study topics 1.1–2.2.

Cambridge International A Level students study all topics 1.1–4.4.

	AS Level topics	A Level topics
Financial accounting	1.1 Types of business entity	3.1 Preparation of financial statements
	1.2 The accounting system	3.2 Regulatory and ethical considerations
	1.3 Accounting for non-current assets	3.3 Business acquisition and merger
	1.4 Reconciliation and verification	3.4 Computerised accounting systems
	1.5 Preparation of financial statements	3.5 Analysis and communication of accounting information
	1.6 Analysis and communication of accounting information	
Cost and management accounting	2.1 Costs and cost behaviour	4.1 Activity based costing (ABC)
	2.2 Traditional costing methods	4.2 Standard costing
		4.3 Budgeting and budgetary control
		4.4 Investment appraisal

School feedback: ‘Cambridge International AS & A Levels prepare students well for university because they’ve learnt to go into a subject in considerable depth. There’s that ability to really understand the depth and richness and the detail of a subject. It’s a wonderful preparation for what they are going to face at university.’

Feedback from: US Higher Education Advisory Council

Assessment overview

Paper 1	Paper 3
Multiple Choice 30 marks 30 Multiple-choice questions Questions are based on sections 1 and 2 of the subject content. Externally assessed 28% of the AS Level 14% of the A Level	Financial Accounting 75 marks 1 hour 30 minutes Three structured questions Questions are based on section 3 of the subject content; knowledge of material from the AS Level subject content is assumed. Externally assessed 30% of the A Level
Paper 2	Paper 4
Fundamentals of Accounting 90 marks 1 hour 45 minutes Four structured questions Questions are based on sections 1 and 2 of the subject content. Externally assessed 72% of the AS Level 36% of the A Level	Cost and Management Accounting 50 marks 1 hour Two structured questions Questions are based on section 4 of the subject content; knowledge of material from the AS Level subject content is assumed. Externally assessed 20% of the A Level

Information on availability is in the **Before you start** section.

There are three routes for Cambridge International AS & A Level Accounting:

Route	Paper 1	Paper 2	Paper 3	Paper 4
1 AS Level only (Candidates take all AS components in the same exam series)	yes	yes	no	no
2 A Level (staged over two years)				
Year 1 AS Level*	yes	yes	no	no
Year 2 Complete the A Level	no	no	yes	yes
3 A Level (Candidates take all components in the same exam series)	yes	yes	yes	yes

* Candidates carry forward their AS Level result subject to the rules and time limits described in the *Cambridge Handbook*. See **Making entries** for more information on carry forward of results [and marks].

Candidates following an AS Level route are eligible for grades a–e. Candidates following an A Level route are eligible for grades A*–E.

Assessment objectives

The assessment objectives (AOs) are:

AO1 Knowledge and understanding

- Demonstrate knowledge and understanding of facts, terms, concepts, policies, procedures and techniques relating to financial accounting and cost and management accounting.
- Apply this knowledge and understanding to a variety of accounting situations and problems, and present outcomes in the most appropriate form.

AO2 Analysis

- Analyse financial accounting information and cost and management accounting information.
- Select, calculate and interpret relevant data and information.
- Communicate outcomes in the most appropriate form.

AO3 Evaluation

- Evaluate financial accounting information and cost and management accounting information to make informed recommendations and decisions.
- Make judgements and draw conclusions based on financial and non-financial data.

Weighting for assessment objectives

The approximate weightings allocated to each of the assessment objectives (AOs) are summarised below.

Assessment objectives as a percentage of each qualification

Assessment objective	Weighting in AS Level %	Weighting in A Level %
AO1 Knowledge and understanding	63	55
AO2 Analysis	25	30
AO3 Evaluation	12	15
Total	100	100

Assessment objectives as a percentage of each component

Assessment objective	Weighting in components %			
	Paper 1	Paper 2	Paper 3	Paper 4
AO1 Knowledge and understanding	70	60	54	44
AO2 Analysis	30	23	33	28
AO3 Evaluation	0	17	13	28
Total	100	100	100	100

3 Subject content

This syllabus gives you the flexibility to design a course that will interest, challenge and engage your learners. Where appropriate you are responsible for selecting subject contexts, resources and examples to support your learners' study. These should be appropriate for the learners' age, cultural background and learning context as well as complying with your school policies and local legal requirements.

Cambridge International AS Level candidates study topics 1.1–2.2.

Cambridge International A Level candidates study all topics 1.1–4.4.

The AS Level content is assumed knowledge for A Level Paper 3 and Paper 4.

AS Level content

1 Financial accounting (AS Level)

1.1 Types of business entity

Candidates will explore the various ways in which a business may be structured with reference to legal form, ownership, management and control. Candidates will investigate the benefits and drawbacks of each type of entity from the point of view of owners and other stakeholders which will provide a context for the preparation of financial statements.

1.1.1 Types of business entity

Candidates should have an understanding of:

- the different types of business entity:
 - sole trader
 - partnership
 - limited company (including public limited company (plc))
- the advantages and disadvantages of these types of business entity
- sources of finance and methods of funding for these types of business entity including:
 - loans (secured and unsecured)
 - bank overdrafts
 - payment by instalments
 - rental/leasing as an alternative to purchase
 - trade credit
 - sources of finance for limited companies as in 1.5.4

Candidates are expected to use their understanding of types of business entity to take relevant decisions.

Note: Questions on Limited Liability Partnerships will not be set.

1.2 The accounting system

Candidates will examine the need for the systematic recording of business transactions and explore how the double entry system can be used to achieve this aim both in manual and computerised accounting systems. Additionally, candidates will consider the accounting theories and concepts which form the basis of financial accounting.

1.2.1 The accounting system

Candidates should have an understanding of:

- the principles of the double entry system to record business transactions
- the accounting equation
- the role of books of prime entry in the recording of business transactions
 - sales journal
 - sales returns journal
 - purchases journal
 - purchases returns journal
 - cash book
 - general journal
- preparation of ledger accounts
- the purpose of a trial balance
- the advantages and disadvantages of maintaining full accounting records
- the accounting concepts underpinning the preparation of accounts: business entity, historic cost, money measurement, going concern, consistency, prudence, realisation, duality, materiality, objectivity, matching /accruals and substance over form
- the use of computerised accounting systems in recording financial transactions
- the advantages and disadvantages of introducing a computerised accounting system
- the ways in which the security of data can be ensured within a computerised accounting system

Candidates are expected to use their understanding of the accounting system to evaluate relevant information and make informed business decisions.

Note: Knowledge of specific applications or software is **not** required.

1.3 Accounting for non-current assets

Candidates will look at the classification of business expenditure with particular reference to the treatment of assets used in the longer term in a business. Candidates will also consider the purpose and methods of recording the cost of using those assets over time and the subsequent change in value.

1.3.1 Capital and revenue income and expenditure

Candidates should have an understanding of:

- the difference between the treatment of capital and revenue income and capital and revenue expenditure
- the effect on profit/loss and asset value of the incorrect treatment of capital and revenue expenditure

1.3.2 Changing asset values

Candidates should have an understanding of:

- factors that cause the value of non-current assets to depreciate
- the purpose of accounting for depreciation of non-current assets and the associated application of relevant accounting concepts
- how to calculate depreciation using the reducing balance and straight-line methods
- the most appropriate method of calculating depreciation
- how to measure the value of non-current assets by the cost model or the revaluation model
- how to prepare ledger accounts and journal entries for:
 - non-current assets (acquisition and revaluation)
 - depreciation and disposal (including entries for part exchange)
- how to calculate profit or loss on disposal of a non-current asset
- how to record the effect of a charge for depreciation in the statement of profit or loss and statement of financial position

1.4 Reconciliation and verification

Candidates will assess the importance of being able to prepare complete and accurate financial statements from underlying business records. In doing so candidates will consider the various methods available to identify and rectify errors and omissions using internal procedures and third-party documentation, as well as exploring possible limitations of such measures.

1.4.1 Reconciliation and verification

Candidates should have an understanding of:

- the need to reconcile and verify ledger accounts using documentation from internal and external sources
- the benefits and limitations of reconciliation and verification procedures

1.4 Reconciliation and verification continued

1.4.2 Trial balance

Candidates should have an understanding of:

- errors which affect the trial balance
- errors which do not affect the trial balance:
 - omission
 - commission
 - principle
 - original entry
 - reversal
 - compensating
- how to prepare ledger accounts and journal entries to correct errors using a suspense account
- the effect on the financial statements of the correction of errors
- the benefits and limitations of a trial balance

1.4.3 Bank reconciliation statements

Candidates should have an understanding of:

- updating of cash books
- how to prepare bank reconciliation statements
- the benefits and limitations of preparing a bank reconciliation statement

1.4.4 Control accounts

Candidates should have an understanding of:

- entries in control accounts
- sales ledger control accounts and purchases ledger control accounts
- reconciliation statements between control account balances and ledger balances
- the effects on financial statements of the correction of errors
- the benefits and limitations of control accounts

Candidates are expected to use their understanding of reconciliation and verification to evaluate relevant information and make informed business decisions.

1.5 Preparation of financial statements

Candidates will consider how figures in a trial balance need to be adjusted in order to prepare a complete set of financial statements in accordance with the matching/accruals concept and other fundamental accounting concepts. In particular, candidates will examine the differing formats of financial statements necessary for sole traders, partnerships and limited companies. Candidates will address specific aspects relating to how partnerships account for individual partners' shares of profits and losses, and study the characteristics of limited company financial statements, particularly share capital and reserves. This gives an opportunity to build on the background information relating to types of business entity introduced in 1.1.

Note: For the expected formats for the standard financial statements, see the document *Teacher Guidance for 9706 Accounting* which accompanies this syllabus.

1.5.1 Adjustments to draft financial statements

Candidates should have an understanding of:

- how to calculate and record the adjustments needed and the effect on financial statements in respect of:
 - accruals and prepayments of income and expenses
 - irrecoverable debts, irrecoverable debts recovered and allowance for irrecoverable debts
 - depreciation
 - inventory valuation
 - correction of errors

1.5.2 Sole traders

Candidates should have an understanding of:

- how to prepare a statement of profit or loss and statement of financial position for a sole trader from full or incomplete accounting records. The business may be a trading or a service business

1.5.3 Partnerships

Candidates should have an understanding of:

- how to prepare a statement of profit or loss, appropriation account and statement of financial position for a partnership from full or incomplete accounting records. The business may be a trading or a service business
- why partners may maintain separate capital accounts and current accounts
- how to prepare partners' capital and current accounts
- the contents of a partnership agreement
- the advantages and disadvantages to partners of maintaining a partnership agreement
- the provisions of the Partnership Act 1890 in respect of partners' salaries, division of profit or loss, interest on partners' loans, interest on capital and interest on drawings

1.5 Preparation of financial statements continued

1.5.4 Limited companies

Candidates should have an understanding of:

- the features and accounting treatment of ordinary shares, bonus issues, rights issues, debentures, dividends and reserves

Note: Questions will **not** be set on preference shares.
- the advantages and disadvantages to the company and to the shareholders of a company making a bonus issue of shares and a rights issue of shares
- the advantages and disadvantages to the company and to the shareholders of a company issuing shares and issuing debentures
- the distinction between capital reserves (share premium and revaluation reserve) and revenue reserves (retained earnings and general reserve)
- how to prepare ledger accounts to record:
 - an issue of ordinary shares at par or at a premium
 - a rights issue of shares at par or at a premium
 - a bonus issue of shares

Note: For the purpose of a bonus issue of shares, the revaluation reserve is **not** to be used.
- how to prepare a statement of profit or loss, statement of financial position and statement of changes in equity for a limited company. The business may be a trading or a service business
- sources of finance for specified purposes

Candidates are expected to use their understanding of financial accounts of sole traders, partnerships and limited companies to evaluate relevant information and make informed business decisions.

1.6 Analysis and communication of accounting information

Candidates will evaluate the diverse interests and range of information needs of parties who may have an interest in a business. Candidates will assess how financial information can be analysed and interpreted using a range of financial ratios in order to allow users of financial statements to gain an understanding of the business performance. They will explore the use of such ratios in comparison with other similar businesses and industry benchmarks, including having an appreciation of problems which may limit the usefulness of such an analysis.

1.6.1 Users of accounting information

Candidates should have an understanding of:

- the differing requirements for information of stakeholders including:
 - owners
 - managers
 - employees
 - investors
 - lenders
 - suppliers
 - customers
 - government
 - public and environmental bodies
- how to communicate and analyse the information required by these different stakeholders

1.6 Analysis and communication of accounting information continued

1.6.2 Calculation and evaluation of ratios

Candidates should have an understanding of:

- how to calculate key accounting ratios to measure profitability, liquidity and efficiency:
 - profitability ratios: gross profit margin, mark-up, profit margin, return on capital employed, expenses to revenue ratio (operating expenses to revenue ratio)
 - liquidity ratios: current ratio, acid test ratio
 - efficiency ratios: non-current asset turnover, trade receivables turnover (days), trade payables turnover (days), inventory turnover (days), rate of inventory turnover (times)

Note: Candidates must use the formulae given in the appendix to section 3. These are the only formulae accepted in candidate responses.

- how to evaluate the profitability, liquidity and efficiency of an organisation by interpreting ratios
- possible measures to improve the profitability, liquidity and efficiency of an organisation
- the limitations of accounting information

Candidates are expected to use their understanding of the calculation and evaluation of ratios to make informed business decisions using relevant information.

2 Cost and management accounting (AS Level)

2.1 Costs and cost behaviour

Candidates will examine the classification of costs and the need to distinguish between the ways in which costs may be treated in terms of traceability and behaviour. This will be explored within the context of why businesses need to understand the nature of costs for the purposes of pricing and decision-making, serving as an introduction to examining traditional costing methods (as defined in 2.2).

2.1.1 Materials and labour

Candidates should have an understanding of:

- accounting for material and labour costs
- how to identify and calculate fixed costs, variable costs, semi-variable costs and stepped costs
- how to identify and calculate the elements of direct and indirect costs
- how to calculate the value of closing inventory using the first in first out (FIFO) and weighted average cost (AVCO) methods (perpetual and periodic)
- the principles of just in time (JIT) management of inventory

Candidates are expected to use their understanding of accounting for materials and labour to evaluate relevant information and make informed business decisions.

2.2 Traditional costing methods

Candidates will consider how to account for costs using absorption and marginal costing systems, as well as exploring the impact of changes in business activity. In so doing, candidates will evaluate the benefits and limitations of the contrasting approaches and examine how these tools may be used in determining the cost and the selling price of a product or service, and for management decision-making and determining business opportunities.

2.2.1 Costing applications

Candidates should have an understanding of:

- how to apply traditional costing methods to prepare costing statements using unit, job and batch costing principles in both manufacturing and service businesses as applicable

2.2.2 Absorption costing

Candidates should have an understanding of:

- the difference between a cost centre and a cost unit
- how to allocate and apportion overhead expenditure between production and service departments
- how to calculate overhead absorption rates using an appropriate basis
- the causes and the calculation of under absorption and over absorption of overheads
- how to prepare costing and profit statements using absorption costing
- the uses and limitations of absorption costing
- the usefulness of absorption cost data as a support for management decision-making
- non-financial factors and their significance

2.2.3 Marginal costing

Candidates should have an understanding of:

- how to calculate the contribution of a product
 - how to interpret a break-even chart
- Note:** Candidates will not be asked to prepare a break-even chart.
- how to calculate the break-even point, contribution to sales ratio, level of output or sales to achieve a target profit, and margin of safety
 - the use and limitations of break-even analysis
 - how to prepare costing and profit statements using marginal costing
 - how to prepare a statement reconciling the reported profits using marginal costing and absorption costing
 - the uses and limitations of marginal costing
 - the usefulness of marginal costing data as a support for management decision-making, including make-or-buy, special orders, closure of business unit, limiting factors, target profit
 - non-financial factors and their significance

2.2 Traditional costing methods continued

2.2.4 Cost–volume–profit analysis

Candidates should have an understanding of:

- the advantages and limitations of cost–volume–profit analysis
- the usefulness of cost–volume–profit data as a support for management decision-making
- how to apply costing concepts to make business decisions and recommendations using supporting data
- non-financial factors and their significance

Candidates are expected to use their understanding of costing to evaluate relevant information and make informed business decisions.

A Level content

3 Financial accounting (A Level)

3.1 Preparation of financial statements

Candidates will develop the skills established in 1.5 in respect of the preparation of financial statements. This will involve exploring the impact of changes in the composition of a partnership, in addition to extending the range of financial statements and associated notes required for limited companies. Candidates will further encounter the specific requirements for how manufacturing businesses account for the cost of production, and those for non-profit making organisations in the form of clubs and societies.

Note: For the expected formats for the standard financial statements, see the document *Teacher Guidance for 9706 Accounting* which accompanies this syllabus.

3.1.1 Financial statements

Candidates should have an understanding of:

- the need for and purpose of financial statements for specific types of business

3.1.2 Partnerships

Candidates should have an understanding of:

- goodwill and the difference between purchased goodwill and inherent goodwill
- how to prepare partners' capital and current accounts to record changes required in respect of goodwill and revaluation of assets on:
 - a change in the partners' profit-sharing ratio
 - the introduction of a new partner
 - the retirement of an existing partner
 - the dissolution of a partnership
- how to prepare the partnership appropriation account, statement of profit or loss and statement of financial position including changes in a partnership occurring part-way through an accounting year
- how to prepare a realisation account and a revaluation account

3.1 Preparation of financial statements continued

3.1.3 Clubs and societies

Candidates should have an understanding of:

- the distinction between a receipts and payments account and an income and expenditure account
- how to define and calculate the accumulated fund
- how to prepare, from full or incomplete accounting records:
 - a receipts and payments account
 - accounts for trading and revenue-generating activities
 - a subscriptions account
 - an income and expenditure account
 - a statement of financial position
- how to account for other receipts, including life memberships and donations
- how to make adjustments to financial statements (as detailed in 1.5.1)
- how to evaluate possible sources of finance and methods of fundraising

3.1.4 Manufacturing businesses

Candidates should have an understanding of:

- how to prepare a manufacturing account, to differentiate between direct and indirect expenses and to include factory profit
- how to prepare, for a manufacturing business, a statement of profit or loss and a statement of financial position
- how to account for manufacturing profit and the elimination of unrealised profit from unsold inventory
- the reasons why a business may account for manufacturing profit

3.1.5 Limited companies

Candidates should have an understanding of:

- how to prepare for a limited company in line with the relevant international accounting standards and legal requirements:
 - statement of profit or loss
 - statement of financial position
 - statement of cash flows
 - statement of changes in equity
 - schedule of non-current assets

Candidates are expected to use their understanding of the financial accounts of partnerships, clubs and societies, manufacturing businesses and limited companies to evaluate relevant information and make informed business decisions.

3.2 Regulatory and ethical considerations

Candidates will examine the regulatory framework by exploring a number of International Accounting Standards and how they are applied within a set of financial statements. Candidates will further consider the wider ethical issues which underpin the practice of accounting and the need for accountants and businesses to behave in an appropriate manner. Related to this, candidates will assess the nature of stewardship in the context of a limited company, which will enable candidates to develop a more detailed appreciation of the issues of ownership and control introduced in 1.1.1 and the associated requirement for an independent examination of financial statements by an auditor.

3.2.1 International Accounting Standards

Candidates should have an understanding of:

- the main provisions of each of the following International Accounting Standards (IAS):
 - IAS 1 Presentation of financial statements
 - IAS 2 Inventories
 - IAS 7 Statement of cash flows
 - IAS 8 Accounting policies, changes in accounting estimates and errors
 - IAS 10 Events after the reporting period
 - IAS 16 Property, plant and equipment
 - IAS 36 Impairment of assets
 - IAS 37 Provisions, contingent liabilities and contingent assets
 - IAS 38 Intangible assets

Note: For guidance on the scope of each IAS that candidates are expected to be familiar with, teachers are advised to consult the document *Teacher Guidance for 9706 Accounting* which accompanies this syllabus.

3.2.2 Ethical considerations

Candidates should have an understanding of:

- the need for an ethical framework in accounting
- the fundamental principles of:
 - integrity
 - objectivity
 - professional competence and due care
 - confidentiality
 - professional behaviour
- how the ethical behaviour of accountants and auditors impacts the business and other stakeholders
- the social implications of decision-making

3.2 Regulatory and ethical considerations continued

3.2.3 Auditing and stewardship of limited companies

Candidates should have an understanding of:

- the role and responsibilities of the auditor
- the differences between an external audit and an internal audit
- the difference between a qualified and unqualified audit report
- stewardship and the role of directors and their responsibilities to shareholders
- the importance of a true and fair view in respect of financial statements

Candidates are expected to use their understanding of ethical considerations and auditing to evaluate relevant information and make informed business decisions

3.3 Business acquisition and merger

Candidates will investigate reasons why businesses may choose to grow by acquiring or merging with different types of business entity and how to account for the acquisition or merger. This will involve assessing the distinction between the acquisition of a business as a whole and the individual assets of a business, as well as an appraisal of business valuation and types of purchase consideration.

3.3.1 Business acquisition and merger

Candidates should have an understanding of:

- the nature and purpose of the merger of different types of businesses to form a new business entity
- how to prepare journal entries and make entries in the relevant ledger accounts to record the:
 - merger of two or more sole trader businesses to form a partnership or a limited company
 - merger of a sole trader's business with an existing partnership to form a new partnership
 - acquisition of a sole trader's business or partnership by a limited company
- how to calculate the value of goodwill on the acquisition of a business by another entity
- how to prepare statements of profit or loss and statements of financial position for the newly formed business entity following the acquisition or merger, for example the limited company acquiring the partnership
- the advantages and disadvantages of the acquisition or merger

Candidates are expected to use their understanding of business acquisition and merger to evaluate relevant information and make informed business decisions

3.4 Computerised accounting systems

Candidates will further expand their understanding of accounting systems gained in 1.2 to encompass the specific challenges posed by the introduction of a computerised accounting system. Candidates will explore approaches to managing the transfer of accounting data to a computerised system and the necessary safeguards required to ensure that the manual data is transferred completely and accurately to the new system.

3.4.1 Computerised accounting systems

Candidates should have an understanding of:

- the process of transferring the business accounts to a computerised accounting system
- ways in which the integrity of the accounting data can be ensured during the transfer to a computerised accounting system

Note: Knowledge of specific applications or software is **not** required.

3.5 Analysis and communication of accounting information

Candidates will further enhance their appreciation of the use of accounting ratios by extending knowledge of the range of ratios beyond those introduced in 1.6, in particular with reference to investment ratios applicable to limited companies. Candidates will assess how these ratios may be interpreted with a view to linking performance indicators and providing justified advice to stakeholders, as well as being able to suggest possible measures for improvement.

3.5.1 Analysis and communication of accounting information

Candidates should have an understanding of:

- how to calculate the following ratios:
 - working capital cycle (in days)
 - net working assets to revenue (sales)
 - interest cover
 - gearing ratio
 - earnings per share
 - price/earnings ratio
 - dividend per share
 - dividend yield
 - dividend cover

Note: Candidates must use the formula given in the appendix to section 3. These are the only formulae accepted in candidate responses.

- how to analyse and evaluate the results of the ratios and draw conclusions
- how to make appropriate recommendations to stakeholders on the basis of the analysis undertaken
- the interrelationships between ratios

Candidates are expected to use their understanding of the calculation and evaluation of ratios to make informed business decisions using relevant information.

4 Cost and management accounting (A Level)

4.1 Activity based costing (ABC)

Candidates will explore the application of activity based costing as a contrast to the traditional costing methods encountered in 2.2. Candidates will gain an insight into how overheads may be allocated to products using measures which are not directly related to traditional overhead absorption bases, such as direct labour hours, but rather to the activities which cause the costs to be incurred in the production process (cost drivers). Candidates will also assess the uses and limitations of such a system.

4.1.1 Activity based costing

Candidates should have an understanding of:

- the application of activity based costing (ABC)
- the uses and limitations of ABC
- what is meant by a cost driver
- how to use ABC to:
 - identify the appropriate cost driver
 - apportion and allocate overheads
 - calculate the total cost and selling price of a unit
- the effect of different methods of overhead absorption on cost and profit
- how to apply ABC costing techniques to make business decisions and recommendations using supporting data

4.2 Standard costing

Candidates will consider how a business may use a system of predetermined values as a basis for comparison with actual costs and revenues in order to assess performance. Candidates will explore possible reasons for the differences between actual and expected costs and revenues and how there may be interrelationships between these differences. This will require an evaluation of how such information can be used to improve the budget preparation process and business performance. Candidates will also evaluate non-financial considerations which may have an impact on business decisions.

4.2.1 Standard costing

Candidates should have an understanding of:

- the meaning of a system of standard costing in an organisation
- the advantages and disadvantages of a standard costing system
- how standard costing can be used as an aid to improve the performance of a business
- how to calculate the following variances:
 - direct material price and usage
 - direct labour rate and efficiency
 - fixed overhead expenditure and volume
 - fixed overhead capacity and efficiency sub-variances
 - sales price and volume
- possible causes of favourable or adverse variances and their relationship to each other
- how to make business decisions and recommendations using supporting data
- the significance of non-financial factors

4.3 Budgeting and budgetary control

Candidates will investigate the reasons why an organisation uses a system of budgetary control. This will involve exploring the nature, purpose and contents of budgets and how they may be used for the purposes of planning and control to meet an organisation's objectives. Candidates will consider how an organisation may compare expected and actual results and in so doing assess how the budgeting process can affect human responses to achievement of budget targets. Candidates will also evaluate non-financial considerations which may have an impact on business decisions.

4.3.1 Budgeting and budgetary control

Candidates should have an understanding of:

- the advantages and disadvantages of a budgetary control system to an organisation
- the advantages and disadvantages of preparing budgets using spreadsheets
- what is meant by a master budget
- how to prepare the following budgets:
 - sales
 - production
 - purchases
 - labour
 - trade receivables
 - trade payables
 - cash
 - budgeted statement of profit or loss
 - budgeted statement of financial position
- the effect of limiting factors on the preparation of budgets
- the benefits of flexible budgeting over fixed budgeting
- how to prepare a flexible budget statement
- possible causes of differences between actual and flexible budgeted data
- how to prepare a statement reconciling the flexible budgeted cost of production with the actual cost of production
- how to prepare a statement reconciling the flexible budgeted profit with the actual profit
- how to make business decisions and recommendations using supporting data
- the behavioural aspects of budgeting, including targets, incentives and motivation
- the significance of non-financial factors

4.4 Investment appraisal

Candidates will address ways in which a business may make a decision about a prospective capital investment. This will require an assessment of the strengths and limitations of various investment appraisal techniques, including examining the time value of money and discerning the difference between accounting profits and cash flows. Candidates will also evaluate non-financial considerations which may have an impact on investment decisions.

4.4.1 Investment appraisal

Candidates should have an understanding of:

- future net cash inflows and outflows arising from the project
- how to apply the following capital investment appraisal techniques:
 - payback
 - accounting rate of return ($ARR = (\text{average profit} / \text{average investment}) \times 100$)
 - net present value (NPV)
 - internal rate of return (IRR)
- the advantages and disadvantages of these capital investment appraisal techniques
- how to make investment decisions and recommendations using supporting data
- the significance of non-financial factors

Note: Questions on discounted payback will not be set.

Note: Questions involving a residual value of an investment at the end of a project will not be set.

Appendix – Summary of commonly used ratios (AS & A Level)

Profitability ratios

Gross profit margin (%)	$\frac{\text{Gross profit}}{\text{Revenue}} \times 100$
Mark-up (%)	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times 100$
Profit margin (%)	$\frac{\text{Profit for the year}}{\text{Revenue}} \times 100$ can also be expressed as $\frac{\text{Profit for the year (after interest)}}{\text{Revenue}} \times 100$
Return on capital employed (%)	$\frac{\text{Profit from operations}}{\text{Capital employed}} \times 100$ Capital employed = issued shares + reserves + non-current liabilities
Expenses to revenue ratio (%)	$\frac{\text{Expenses}}{\text{Revenue}} \times 100$
Operating expenses to revenue ratio (%)	$\frac{\text{Operating expenses}}{\text{Revenue}} \times 100$

Liquidity ratios

Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$ <i>Answer presented as a ratio</i>
Acid test ratio	$\frac{\text{Current assets} - \text{inventory}}{\text{Current liabilities}}$ <i>Answer presented as a ratio</i>

Efficiency ratios

Non-current asset turnover (times)	$\frac{\text{Net revenue}}{\text{Total net book value of non-current assets}}$
Trade receivables turnover (days)	$\frac{\text{Trade receivables}}{\text{Credit sales}} \times 365 \text{ days}$
Trade payables turnover (days)	$\frac{\text{Trade payables}}{\text{Credit purchases}} \times 365 \text{ days}$
Inventory turnover (days)	$\frac{\text{Average inventory}}{\text{Cost of sales}} \times 365 \text{ days}$
Rate of inventory turnover (times)	$\frac{\text{Cost of sales}}{\text{Average inventory}}$

Solvency and other ratios (A Level only)

Working capital cycle (days)	Trade receivables turnover (days) + inventory turnover (days) – trade payables turnover (days)
Net working assets to revenue (sales) (%)	$\frac{\text{Net working assets}}{\text{Revenue (sales)}} \times 100$ <p>Net working assets = inventories + trade receivables – trade payables</p>
Interest cover (times)	$\frac{\text{Profit from operations}}{\text{Interest payable}}$
Gearing (%)	<p>which is</p> $\frac{\text{Fixed cost capital}}{\text{Total capital}} \times 100$ $\frac{\text{Non-current liabilities}}{\text{Issued ordinary share capital + all reserves + non-current liabilities}} \times 100$

Investment ratios (stock exchange ratios) (A Level only)

Earnings per share	$\frac{\text{Profit for the year}}{\text{Number of issued ordinary shares}}$
Price/earnings	$\frac{\text{Market price per share}}{\text{Earnings per share}}$
Dividend per share	$\frac{\text{Annual ordinary dividend}}{\text{Number of issued ordinary shares}}$ <p>where Annual ordinary dividend = interim dividend paid + final dividend proposed</p>
Dividend yield	$\frac{\text{Dividend per share}}{\text{Market price per share}}$
Dividend cover	$\frac{\text{Profit for the year available to pay ordinary dividend}}{\text{Annual ordinary dividend}}$

Calculate ratios using year-end balances where appropriate, unless the question specifies the use of average figures.

Calculate ratios to the number of decimal places required by the question.

4 Details of the assessment

Calculators

Calculators are essential for all papers.

Ratios

Candidates must use the formulae given in the appendix to section 3 of this syllabus for the accounting ratios. Where a candidate uses an incorrect formula, this will not be credited, but the resulting figure will be credited as the candidate's own figure when used in following calculations.

Ratios are **not** given in the question paper.

Paper 1 – Multiple Choice

Multiple choice paper, 1 hour, 30 marks

Candidates answer all 30 questions and indicate their answers on the answer sheet provided.

The questions are based on the AS Level subject content only.

Twenty-two questions focus on financial accounting and eight questions focus on cost and management accounting.

Candidates must use the formulae given in the appendix to section 3 to obtain their answers.

Paper 1 assesses AO1 Knowledge and understanding and AO2 Analysis.

Paper 2 – Fundamentals of Accounting

Written paper, 1 hour 45 minutes, 90 marks

This paper has four structured questions. Candidates answer all questions. Candidates answer on the question paper.

The questions are based on the AS Level subject content only.

Questions 1, 2 and 3 focus on financial accounting. Question 1 has 30 marks; questions 2 and 3 have 15 marks each.

Question 4 focuses on cost and management accounting and has 30 marks.

Candidates must use the formulae given in the appendix to section 3. These are the only formulae accepted in candidate responses.

Candidates should use international accounting terminology and formats as appropriate.

Where candidates are asked to make recommendations or decisions they are expected to support their answer with a balance of reasons, and to justify their recommendation or decision.

Paper 2 assesses AO1 Knowledge and understanding, AO2 Analysis and AO3 Evaluation.

Paper 3 – Financial Accounting

Written paper, 1 hour 30 minutes, 75 marks

This paper has three structured questions. Each question is worth 25 marks. Candidates answer all questions. Candidates answer on the question paper.

The questions are based on the A Level Financial Accounting subject content.

The content of the AS Level is assumed knowledge for the assessment of Paper 3.

Source materials for each question are supplied on a separate insert to the paper. Additional information is included within each question on the question paper.

Candidates must use the formulae given in the appendix to section 3. These are the only formulae accepted in candidate responses.

Candidates should use international accounting terminology and formats as appropriate.

Where candidates are asked to make recommendations or decisions they are expected to support their answer with a balance of reasons, and to justify their recommendation or decision.

Paper 3 assesses AO1 Knowledge and understanding, AO2 Analysis and AO3 Evaluation.

Paper 4 – Cost and Management Accounting

Written paper, 1 hour, 50 marks

This paper has two structured questions. Each question is worth 25 marks. Candidates answer all questions. Candidates answer on the question paper.

The questions are based on the A Level Cost and Management Accounting subject content.

The content of the AS Level is assumed knowledge for the assessment of Paper 4.

Source materials for each question are supplied on a separate insert to the paper. Additional information is included within each question on the question paper.

Where candidates are asked to make recommendations or decisions they are expected to support their answer with a balance of reasons, and to justify their recommendation or decision.

Paper 4 assesses AO1 Knowledge and understanding, AO2 Analysis and AO3 Evaluation.

Command words

Command words and their meanings help candidates know what is expected from them in the exams. The table below includes command words used in the assessment for this syllabus. The use of the command word will relate to the subject context.

Command word	What it means
Advise	write down a suggested course of action in a given situation
Allocate	charge overheads that can be directly attributed to a specific cost centre to that centre
Analyse	examine in detail to show meaning, identify elements and the relationship between them
Apportion	charge overheads that cannot be directly attributable to a cost centre, to other centres using that overhead, on an appropriate basis
Assess	make an informed judgement
Calculate	work out from given facts, figures or information
Comment	give an informed opinion
Compare	identify/comment on similarities and/or differences
Contrast	identify/comment on differences
Define	give precise meaning
Describe	state the points of a topic / give characteristics and main features
Discuss	write about issue(s) or topic(s) in depth in a structured way
Evaluate	judge or calculate the quality, importance, amount, or value of something
Explain	set out purposes or reasons / make the relationships between things clear / say why and/or how and support with relevant evidence
Identify	name/select/recognise
Justify	support a case with evidence/argument
Prepare	present information in a suitable format
Reapportion	recharge overheads from non-production cost centres on an appropriate basis
Reconcile	process two sets of figures to confirm their agreement
State	express in clear terms
Suggest	apply knowledge and understanding to situations where there are a range of valid responses in order to make proposals / put forward considerations

5 What else you need to know

This section is an overview of other information you need to know about this syllabus. It will help to share the administrative information with your exams officer so they know when you will need their support. Find more information about our administrative processes at www.cambridgeinternational.org/eoguide

Before you start

Previous study

We recommend that learners starting this course should have completed a course in mathematics equivalent to Cambridge IGCSE™ (Extended) or Cambridge O Level.

Guided learning hours

We design Cambridge International AS & A Level syllabuses to require about 180 guided learning hours for each Cambridge International AS Level and about 360 guided learning hours for a Cambridge International A Level. The number of hours a learner needs to achieve the qualification may vary according to each school and the learners' previous experience of the subject.

Availability and timetables

All Cambridge schools are allocated to an administrative zone. Each zone has a specific timetable. Find your administrative zone at www.cambridgeinternational.org/adminzone

You can view the timetable for your administrative zone at www.cambridgeinternational.org/timetables

You can enter candidates in the June and November exam series. If your school is in India, you can also enter your candidates in the March exam series.

Check you are using the syllabus for the year the candidate is taking the exam.

Private candidates can enter for this syllabus. For more information, please refer to the *Cambridge Guide to Making Entries*.

Combining with other syllabuses

Candidates can take this syllabus alongside other Cambridge International syllabuses in a single exam series. The only exceptions are:

- syllabuses with the same title at the same level.

Group awards: Cambridge AICE

Cambridge AICE (Advanced International Certificate of Education) is a group award for Cambridge International AS & A Level. It encourages schools to offer a broad and balanced curriculum by recognising the achievements of learners who pass exams in a range of different subjects.

Learn more about Cambridge AICE at www.cambridgeinternational.org/aice

Making entries

Exams officers are responsible for submitting entries to Cambridge International. We encourage them to work closely with you to make sure they enter the right number of candidates for the right combination of syllabus components. Entry option codes and instructions for submitting entries are in the *Cambridge Guide to Making Entries*. Your exams officer has access to this guide.

Exam administration

To keep our exams secure, we produce question papers for different areas of the world, known as administrative zones. We allocate all Cambridge schools to one administrative zone determined by their location. Each zone has a specific timetable.

Some of our syllabuses offer candidates different assessment options. An entry option code is used to identify the components the candidate will take relevant to the administrative zone and the available assessment options.

Support for exams officers

We know how important exams officers are to the successful running of exams. We provide them with the support they need to make entries on time. Your exams officer will find this support, and guidance for all other phases of the Cambridge Exams Cycle, at www.cambridgeinternational.org/eoguide

Retakes and carrying forward marks

Candidates can retake Cambridge International AS Level and Cambridge International A Level as many times as they want to. Information on retake entries is at www.cambridgeinternational.org/retakes

Candidates can carry forward the result of their Cambridge International AS Level assessment from one series to complete the Cambridge International A Level in a following series. The rules, time limits and regulations for carry-forward entries for staged assessment [[and carrying forward component marks](#)] can be found in the *Cambridge Handbook* for the relevant year of assessment at www.cambridgeinternational.org/eoguide

To confirm what entry options are available for this syllabus, refer to the *Cambridge Guide to Making Entries* for the relevant series.

Language

This syllabus and the related assessment materials are available in English only.

Accessibility and equality

Syllabus and assessment design

At Cambridge International, we work to avoid direct or indirect discrimination in our syllabuses and assessment materials. We aim to maximise inclusivity for candidates of all national, cultural or social backgrounds and candidates with protected characteristics, which include special educational needs and disability, religion and belief, and characteristics related to gender and identity. We also aim to make our materials as accessible as possible by using accessible language and applying accessible design principles. This gives all candidates the fairest possible opportunity to demonstrate their knowledge, skills and understanding and helps to minimise the requirement to make reasonable adjustments during the assessment process.

Access arrangements

Access arrangements (including modified papers) are the principal way in which Cambridge International complies with our duty, as guided by the UK Equality Act (2010), to make 'reasonable adjustments' for candidates with special educational needs (SEN), disability, illness or injury. Where a candidate would otherwise be at a substantial disadvantage in comparison to a candidate with no SEN, disability, illness or injury, we may be able to agree pre-examination access arrangements. These arrangements help a candidate by minimising accessibility barriers and maximising their opportunity to demonstrate their knowledge, skills and understanding in an assessment.

Important:

Requested access arrangements should be based on evidence of the candidate's barrier to assessment and should also reflect their normal way of working at school. This is explained in the *Cambridge Handbook* www.cambridgeinternational.org/eoguide

- For Cambridge International to approve an access arrangement, we will need to agree that it constitutes a reasonable adjustment, involves reasonable cost and timeframe and does not affect the security and integrity of the assessment.
- Availability of access arrangements should be checked by centres at the start of the course. Details of our standard access arrangements and modified question papers are available in the *Cambridge Handbook* www.cambridgeinternational.org/eoguide
- Please contact us at the start of the course to find out if we are able to approve an arrangement that is not included in the list of standard access arrangements.
- Candidates who cannot access parts of the assessment may be able to receive an award based on the parts they have completed.

After the exam

Grading and reporting

Grades a, b, c, d or e indicate the standard a candidate achieved at Cambridge International AS Level. 'a' is the highest and 'e' is the lowest grade.

Grades A*, A, B, C, D or E indicate the standard a candidate achieved at Cambridge International A Level. A* is the highest and E is the lowest grade.

'Ungraded' means that the candidate's performance did not meet the standard required for the lowest grade (E or e). 'Ungraded' is reported on the statement of results but not on the certificate. In specific circumstances your candidates may see one of the following letters on their statement of results:

- Q (PENDING)
- X (NO RESULT).

These letters do not appear on the certificate.

If a candidate takes a Cambridge International A Level and fails to achieve grade E or higher, a Cambridge International AS Level grade will be awarded if both of the following apply:

- the components taken for the Cambridge International A Level by the candidate in that series included all the components making up a Cambridge International AS Level
- the candidate's performance on the AS Level components was sufficient to merit the award of a Cambridge International AS Level grade.

On the statement of results and certificates, Cambridge International AS & A Levels are shown as General Certificates of Education, GCE Advanced Subsidiary Level (GCE AS Level) and GCE Advanced Level (GCE A Level).

School feedback: 'Cambridge International A Levels are the 'gold standard' qualification. They are based on rigorous, academic syllabuses that are accessible to students from a wide range of abilities yet have the capacity to stretch our most able.'

Feedback from: Director of Studies, Auckland Grammar School, New Zealand

How students, teachers and higher education can use the grades

Cambridge International A Level

Assessment at Cambridge International A Level has two purposes:

- 1 to measure learning and achievement
The assessment confirms achievement and performance in relation to the knowledge, understanding and skills specified in the syllabus.
- 2 to show likely future success
The outcomes help predict which students are well prepared for a particular course or career and/or which students are more likely to be successful.
The outcomes help students choose the most suitable course or career

Cambridge International AS Level

Assessment at Cambridge International AS Level has two purposes:

- 1 to measure learning and achievement
The assessment confirms achievement and performance in relation to the knowledge, understanding and skills specified in the syllabus.
- 2 to show likely future success
The outcomes help predict which students are well prepared for a particular course or career and/or which students are more likely to be successful.
The outcomes help students choose the most suitable course or career
The outcomes help decide whether students part way through a Cambridge International A Level course are making enough progress to continue
The outcomes guide teaching and learning in the next stages of the Cambridge International A Level course.

Changes to this syllabus for 2026, 2027 and 2028

The syllabus has been updated. This is version 2, published December 2025.

You must read the whole syllabus before planning your teaching programme. We review our syllabuses regularly to make sure they continue to meet the needs of our schools. In updating this syllabus, we have made it easier for teachers and students to understand, keeping the familiar features that teachers and schools value.

Changes to version 2 of the syllabus, published December 2025

Other changes

- The weblink on page 34 has been updated.
-

Any textbooks endorsed to support the syllabus for examination from 2023 are still suitable for use with this syllabus.



School feedback: ‘While studying Cambridge IGCSE and Cambridge International A Levels, students broaden their horizons through a global perspective and develop a lasting passion for learning.’

Feedback from: Zhai Xiaoning, Deputy Principal, The High School Affiliated to Renmin University of China

We are committed to making our documents accessible in accordance with the WCAG 2.1 Standard. We are always looking to improve the accessibility of our documents. If you find any problems or you think we are not meeting accessibility requirements, contact us at info@cambridgeinternational.org with the subject heading: Digital accessibility. If you need this document in a different format, contact us and supply your name, email address and requirements and we will respond within 15 working days.

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