

Accounting A Level

Subject level	Level 3
What if I need help? (Teacher contacts)	Steven Beach
Estimated time required to complete activity	3 hours
Resources required:	Pen and paper Internet access
Assignment details	 TASK 1: Stakeholders You will need to do some online research to answer the following questions TASK 1 (a) Accounts are prepared for different groups in society. These are called Stakeholders
	Explain the term Stakeholder



TASK 1 (b) Some Stakeholders are Internal stakeholders and others are external stakeholders.							
Explain the difference between internal Stakeholders and external stakeholders							



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TASK 2: When Accountants Turn Bad

 Study the following news story and answer the questions in the spaces provided

Luckin Coffee: Scandal-hit chain raided by regulators in China BBC News 28 April 2020

https://www.bbc.co.uk/news/business-52438399

One of China's most powerful regulators has raided the offices of Luckin Coffee after opening an investigation into the scandal-hit firm.



The firm's shares slumped this month

after it revealed that it had uncovered \$310m (£250m) in fake transactions.

Luckin vowed to overtake Starbucks as China's biggest coffee chain when it launched shares in the US last year.

The Nasdaq listing had been one of China's few successful American stock market debuts of 2019.

Luckin Coffee confirmed on its official Weibo account that it was being inspected by the State Administration for Market Regulation (SAMR).

The company also said it was "actively co-operating" with the probe, and that its stores remained open across the country.

Luckin Coffee did not immediately respond to a request from the BBC for further comment.

The country's top securities regulator, the China Securities Regulatory Commission, is already carrying out its own probe into Luckin.

Earlier this month Luckin said it had suspended its chief operating officer Jian Liu and staff reporting to him.

Luckin said an investigation had found that fabricated sales from the second quarter of last year to the fourth quarter amounted to about 40% of its estimated annual sales.

As of the end of September the coffee chain had 3,680 stores, according to its third quarter 2019 earnings release. That represents an almost six-fold increase since June 2018.

Those growth figures had helped the company's US stock market value almost triple since its debut in New York in May.



The firm's share were suspended from trade on 7 April. The Nasdaq exchange said the shares would remain halted until Luckin had fully satisfied its request for additional information.

The accounting scandal at Luckin is seen as clouding the prospects for other Chinese companies considering selling shares in the US.

	out what does NASDAQ stands for	
(b) If \$31 worth in I	0m is £250m calculate the \$/£ exchange rate, i.e JS\$	e. what £1 i
number o	eport states there had been almost a six-fold income of stores since June 2018. Calculate how many s ain had in June 2018	
mportan Think ab	enting fraud, fake transactions and false account t part of an accountant's role. out and identify different ways accountants preve sactions from ever being recorded.	



(e) Find o	out why busines rkets	sses might wa	nt their shares	to be traded or

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