

Accounting subject report

2025 cohort

January 2026





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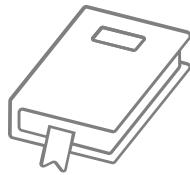
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Introduction



The annual subject reports seek to identify strengths and opportunities for improvement of internal and external assessment processes for all Queensland schools. The 2025 subject report is the culmination of the partnership between schools and the QCAA. It addresses school-based assessment design and judgments, and student responses to external assessment for General and General (Extension) subjects. In acknowledging effective practices and areas for refinement, it offers schools timely and evidence-based guidance to further develop student learning and assessment experiences for 2026.

The report also includes information about:

- how schools have applied syllabus objectives in the design and marking of internal assessments
- how syllabus objectives have been applied in the marking of external assessments
- patterns of student achievement
- important considerations to note related to the revised 2025 syllabus (where relevant).

The report promotes continuous improvement by:

- identifying effective practices in the design and marking of valid, accessible and reliable assessments
- recommending where and how to enhance the design and marking of valid, accessible and reliable assessment instruments
- providing examples that demonstrate best practice.

Schools are encouraged to reflect on the effective practices identified for each assessment, consider the recommendations to strengthen assessment design and explore the authentic student work samples provided.

Audience and use

This report should be read by school leaders, subject leaders, and teachers to:

- inform teaching and learning and assessment preparation
- assist in assessment design practice
- assist in making assessment decisions
- help prepare students for internal and external assessment.

The report is publicly available to promote transparency and accountability. Students, parents, community members and other education stakeholders can use it to learn about the assessment practices and outcomes for senior subjects.

Subject highlights

148
schools offered
Accounting



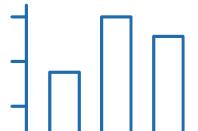
7.95%
increase in enrolment
since 2024



95.46%
of students
received a
C or higher



Subject data summary



Unit completion

The following data shows students who completed the General subject.

Note: All data is correct as at January 2026. Where percentages are provided, these are rounded to two decimal places and, therefore, may not add up to 100%.

Number of schools that offered Accounting: 148.

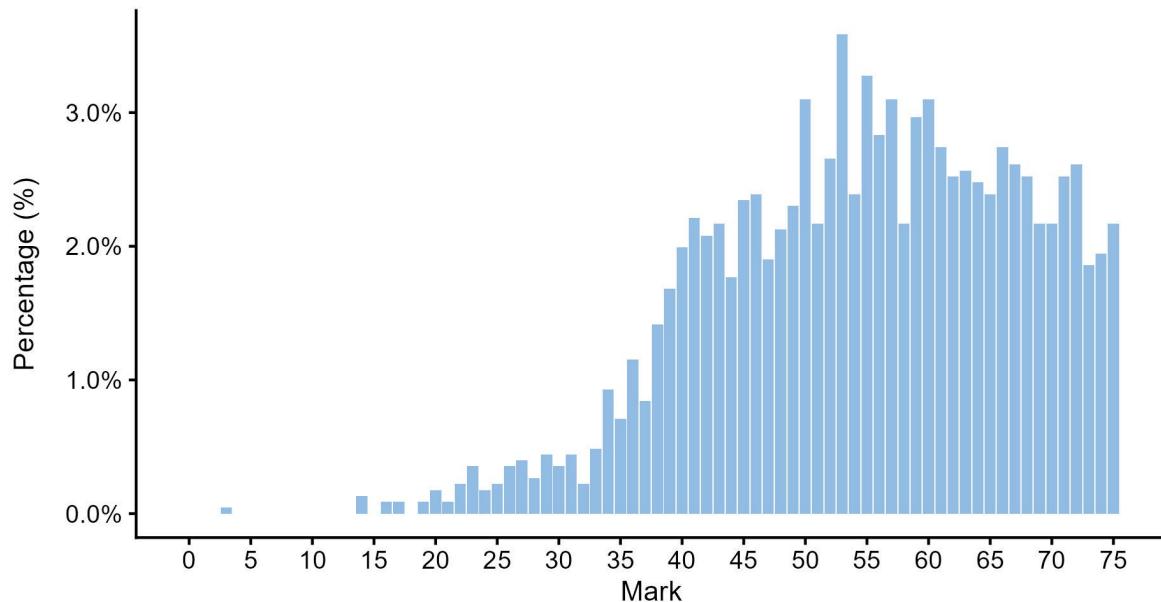
Completion of units	Unit 1	Unit 2	Units 3 and 4
Number of students completed	2,683	2,576	2,248

Units 1 and 2 results

Number of students	Unit 1	Unit 2
Satisfactory	2,541	2,441
Unsatisfactory	142	135

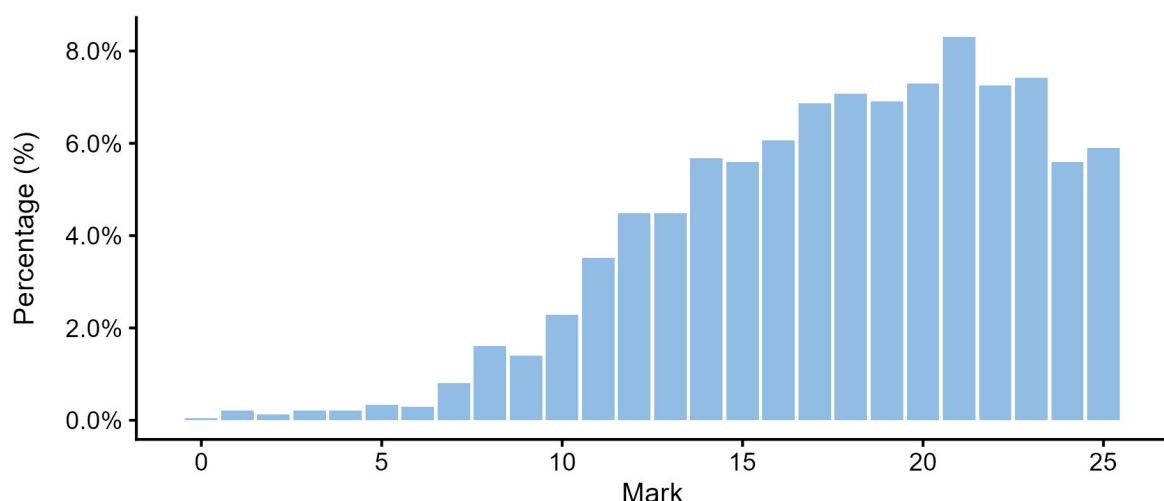
Units 3 and 4 internal assessment (IA) results

Total marks for IA

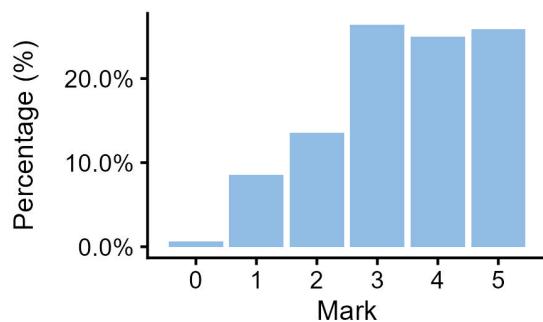


IA1 marks

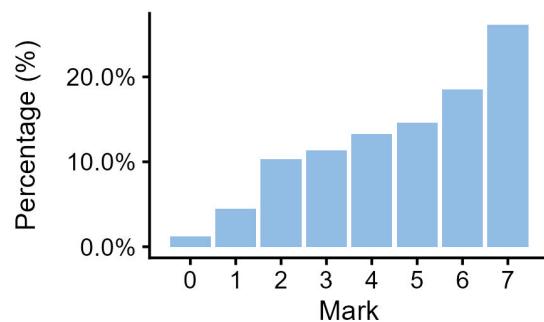
IA1 total



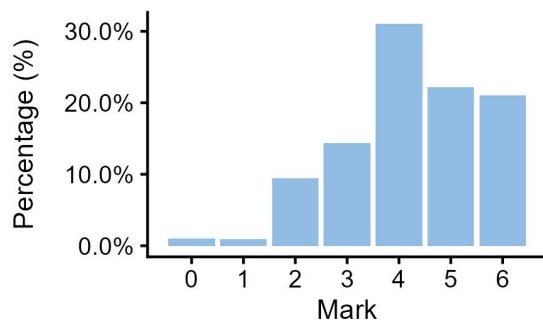
IA1 Criterion: Comprehending



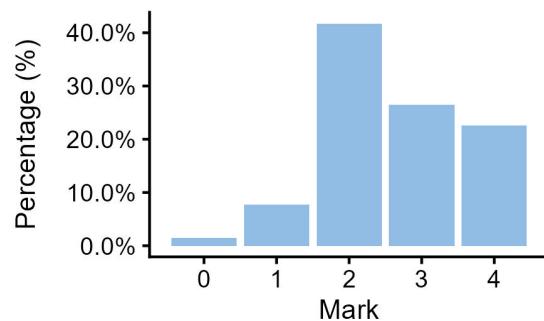
IA1 Criterion: Applying



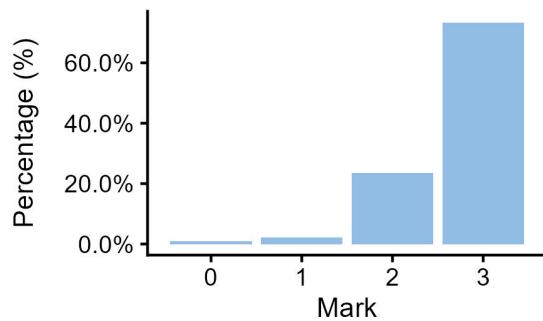
IA1 Criterion: Analysing



IA1 Criterion: Evaluating

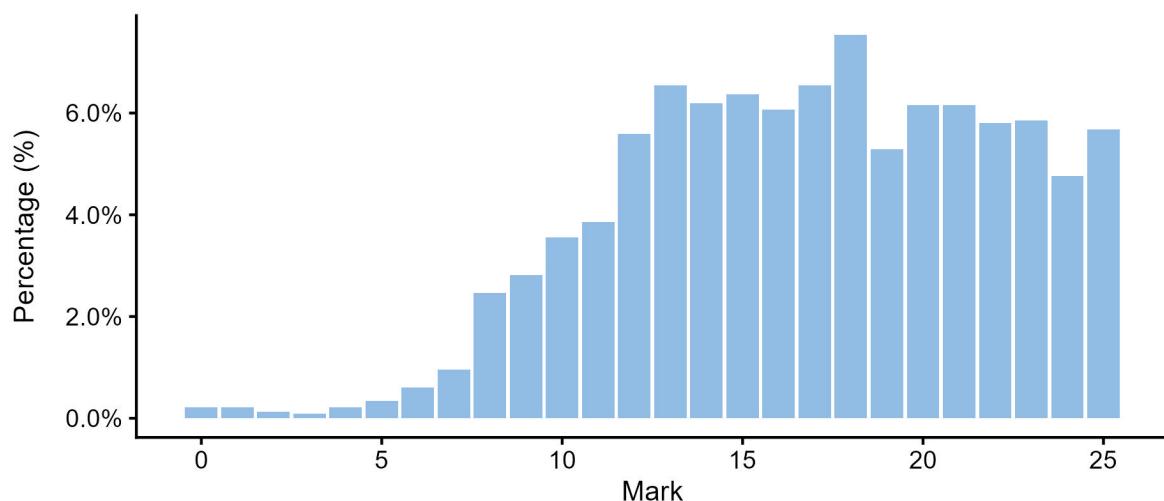


IA1 Criterion: Communicating

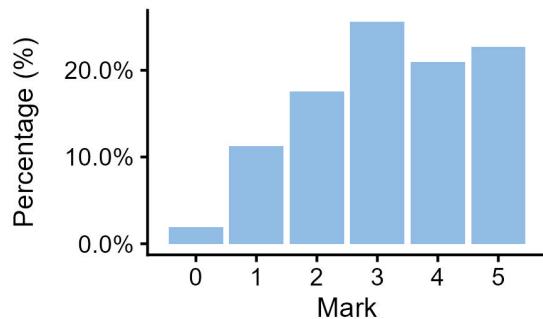


IA2 marks

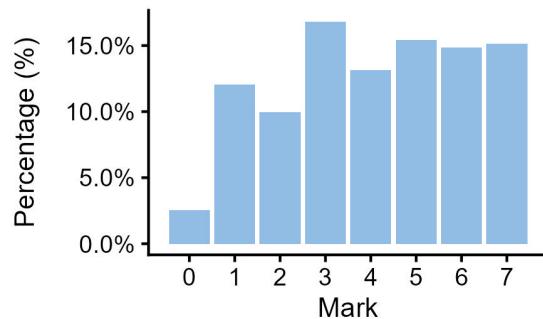
IA2 total



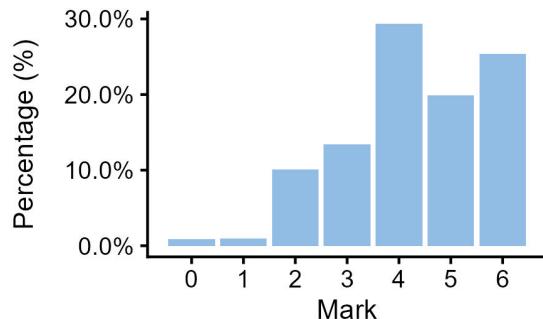
IA2 Criterion: Comprehending



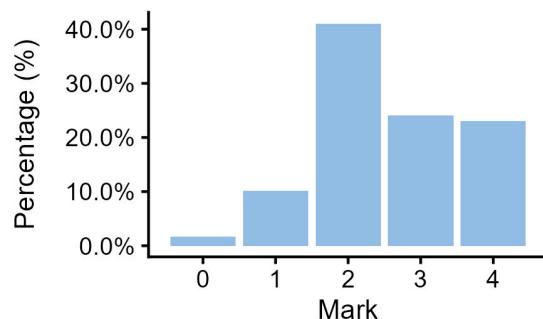
IA2 Criterion: Synthesising and solving



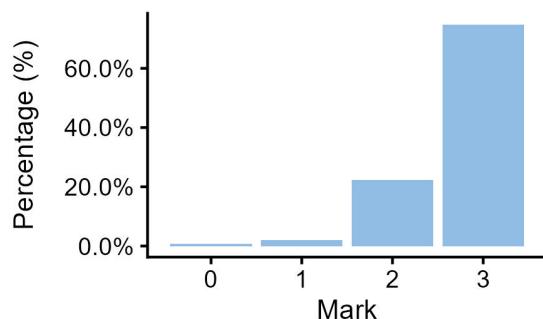
IA2 Criterion: Analysing



IA2 Criterion: Evaluating

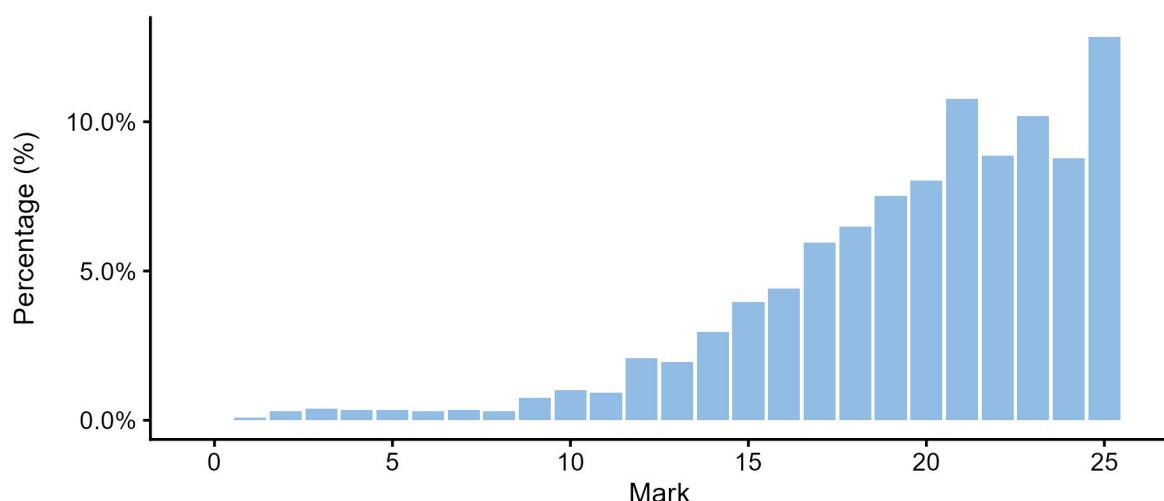


IA2 Criterion: Communicating

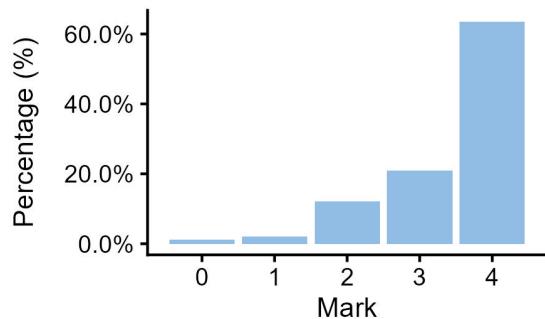


IA3 marks

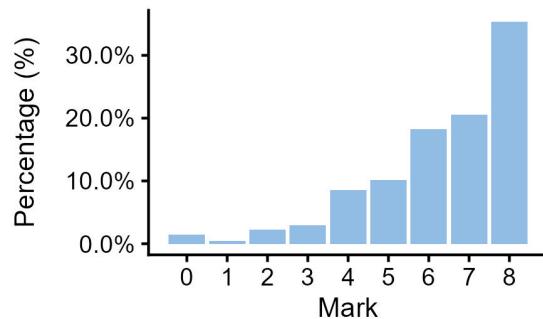
IA3 total



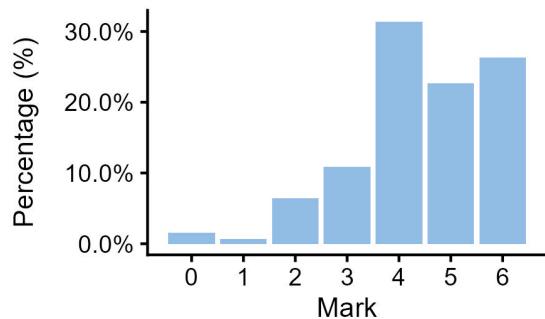
IA3 Criterion: Applying



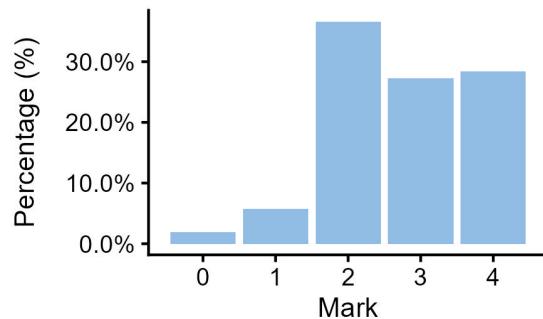
IA3 Criterion: Synthesising and solving



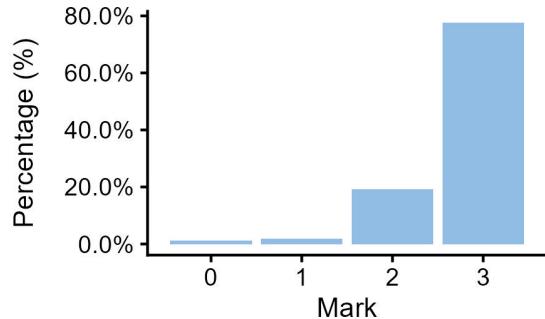
IA3 Criterion: Analysing



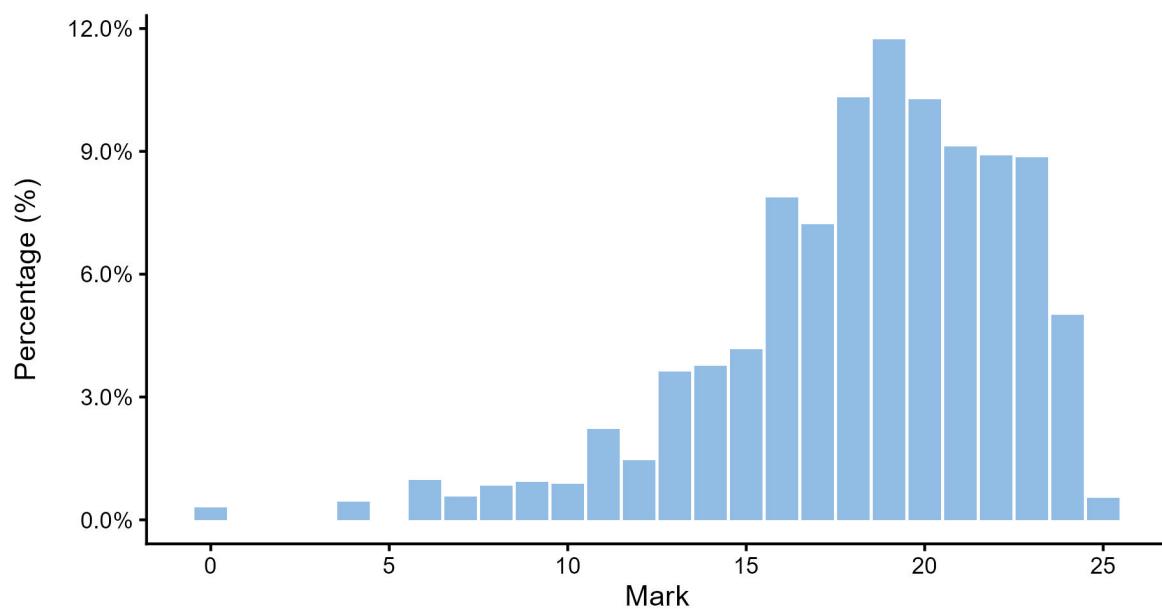
IA3 Criterion: Evaluating



IA3 Criterion: Communicating

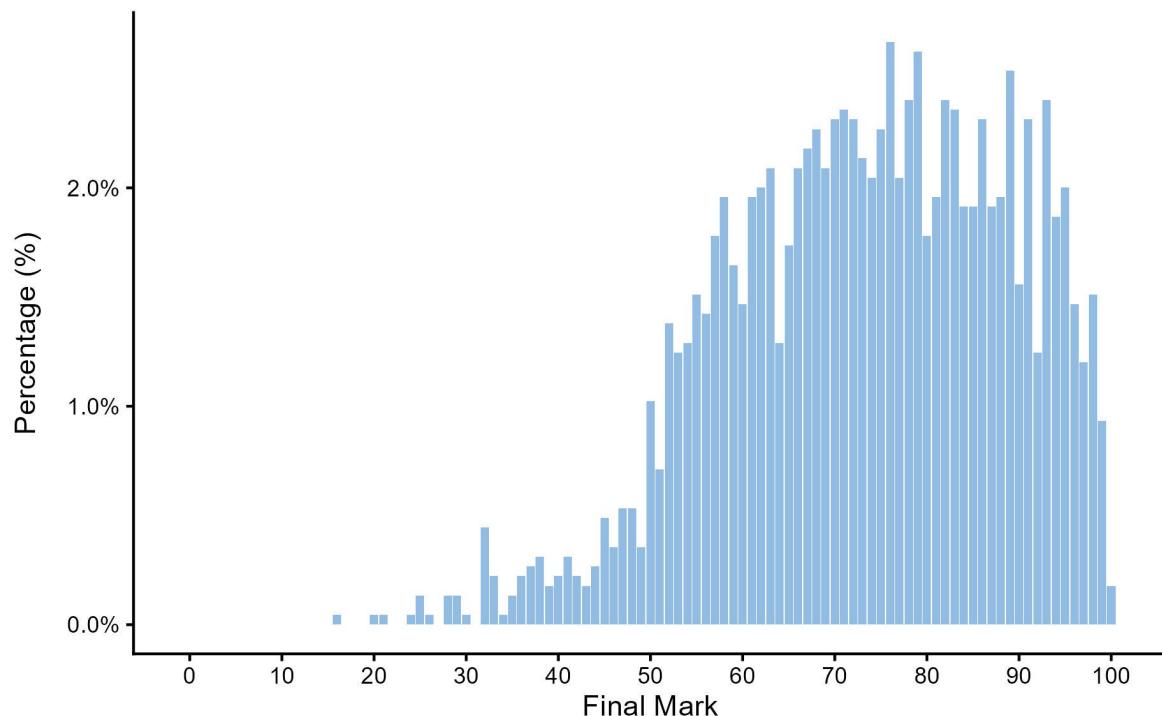


External assessment (EA) marks



Final subject results

Final marks for IA and EA



Grade boundaries

The grade boundaries are determined using a process to compare results on a numeric scale to the reporting standards.

Standard	A	B	C	D	E
Marks achieved	100–85	84–69	68–47	46–20	19–0

Distribution of standards

Number of students who achieved each standard across the state.

Standard	A	B	C	D	E
Number of students	614	802	730	101	1
Percentage of students	27.31	35.68	32.47	4.49	0.04

Internal assessment



This information and advice relate to the assessment design and assessment decisions for each IA in Units 3 and 4. These instruments have undergone quality assurance processes informed by the attributes of quality assessment (validity, accessibility and reliability).

Endorsement

Endorsement is the quality assurance process based on the attributes of validity and accessibility. These attributes are categorised further as priorities for assessment, and each priority can be further broken down into assessment practices.

Data presented in the Assessment design section identifies the reasons why IA instruments were not endorsed at Application 1, by the priority for assessment. An IA may have been identified more than once for a priority for assessment, e.g. it may have demonstrated a misalignment to both the subject matter and the assessment objective/s.

Refer to *QCE and QCIA policy and procedures handbook v7.0*, Section 9.5.

Percentage of instruments endorsed in Application 1

Internal assessment	IA1	IA2	IA3
Number of instruments	146	146	143
Percentage endorsed in Application 1	46	45	76

Confirmation

Confirmation is the quality assurance process based on the attribute of reliability. The QCAA uses provisional criterion marks determined by teachers to identify the samples of student responses that schools are required to submit for confirmation.

Confirmation samples are representative of the school's decisions about the quality of student work in relation to the instrument-specific marking guide (ISMG) and are used to make decisions about the cohort's results.

Refer to *QCE and QCIA policy and procedures handbook v7.0*, Section 9.6.

The following table includes the percentage agreement between the provisional marks and confirmed marks by assessment instrument. The Assessment decisions section for each assessment instrument identifies the agreement trends between provisional and confirmed marks by criterion.

Number of samples reviewed and percentage agreement

IA	Number of schools	Number of samples requested	Number of additional samples requested	Percentage agreement with provisional marks
1	144	968	0	89.58
2	144	976	0	95.83
3	144	956	0	98.61

Internal assessment 1 (IA1)



Examination — combination response (25%)

This examination assesses the application of a range of cognitions to multiple provided items — questions, scenarios and problems.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	63
Authentication	0
Authenticity	2
Item construction	19
Scope and scale	30

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- in Part A — short items
 - provided clear, context-based scenarios that reflected authentic accounting practices
 - ensured appropriate scope and coverage of the syllabus content
 - enabled students to apply knowledge in concise responses, e.g. a contextualised scenario where office furniture is purchased for \$40,000 with an expected residual value of \$4,000 after five years enabled a description of the straight-line method of depreciation and explanation of its relationship to the historical cost principle and accumulated depreciation (negative asset account)
 - did not lead students to a predetermined response in Part B
- in Part B — practical items
 - Item 1 provided effective contextualised examples of capital expenditure and other expenditure for that specific business
 - Item 2 included effective contextualised examples of an asset's disposal
- in Part C — extended response item
 - incorporated contemporary and highly distinctive sole trader business contexts that challenged students to analyse and interpret financial data linked to the accounting

practices used for managing emerging non-current assets and cutting-edge technologies, e.g. a sole trader operating a zero-gravity virtual reality gaming pod for private hire, a wearable health-tech design studio producing custom biometric clothing

- used examples that provided authentic financial data (e.g. acquisition costs, depreciation values, maintenance contracts, technology upgrade invoices) requiring students to assess the accuracy and appropriateness of the owner's current accounting practices
- focused on the management of innovative non-current assets, so students could analyse internal controls and evaluate how the financial information influenced operational decisions.

Practices to strengthen

It is recommended that assessment instruments:

- in Part A — short items
 - use realistic business contexts so students can demonstrate the performance-level descriptors
 - provide opportunities for students to explain the impact of outsourcing accounting processes through scenarios that enable students to connect the outsourcing decision to accounting concepts, principles and processes. For example, a scenario where a medium-sized sole trader retailer outsources payroll processing could include details on cost savings and data security risks. This would enable students to thoroughly explain the implications for accuracy, timeliness, confidentiality and compliance with accounting principles, as well as the effect on business resource management
 - provide information that relates to the appropriate accounting concept, e.g. the role of the asset register. This would allow students to demonstrate perceptive use of accounting terminology such as historical cost, negative asset account and internal control while explaining how the asset register supports accurate reporting and safeguards assets
- in Part B — practical items, do not include the headings 'revenue' or 'expenses' in the statement of profit or loss template for Item 2. These headings might guide students towards a predetermined response, as they signal where to classify certain figures
- in Part C — extended response item
 - provide stimulus that includes both financial data and information with varying levels of significance and relevance to the accounting context and question, so students can demonstrate analysis, interpretation and evaluation of a sole trader's internal control practices. For example, a scenario might relate to a sole trader who operates an art studio specialising in custom ceramic sculptures with a high-capacity kiln, a 3D clay printer with AI-assisted design capabilities and climate-controlled display cabinets. The stimulus could include purchase invoices, depreciation schedules, maintenance records, insurance policies and asset register entries for these items. Additional, less relevant data (e.g. details of a second-hand coffee machine in the staff room) could be included to allow for differentiation between relevant and non-relevant information. This would allow students to identify issues like servicing, recording of depreciation and maintaining insurance coverage while recognising that some assets have limited impact on core operations, and to demonstrate perceptive evaluation of internal controls (both accounting and administrative).

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	0
Language	15
Layout	3
Transparency	1

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- in Part A — short response items, visually displayed the contextualised financial data (e.g. in a table or graph) to support the comprehension of concepts, principles and/or processes relating to managing resources
- in Part B — practical items, Item 1 incorporated an authentic layout of source documents for the purchase of two non-current assets along with related capital and other expenditure items. For example, a sole trader running a furniture business might be provided with purchase invoices for a custom display shelving unit and a point-of-sale (POS) system installed in the store. Accompanying documents (e.g. delivery receipts, service agreements) would clearly distinguish capital expenditures from other expenses.

Practices to strengthen

It is recommended that assessment instruments:

- in Part C — extended response item, contain a wide variety of stimulus materials, presenting both relevant and irrelevant financial data and information. For example, for a scenario involving a sole trader who runs a custom bicycle repair shop, the stimulus could include source documents such as purchase orders for new diagnostic tools, insurance quotes for the workshop, invoices for routine maintenance on essential machinery, and extracts from the business's customer service policies
- use precise accounting terminology relevant to the topic and the specified type of non-current asset.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- The IA1 has changed from an examination to a Project — cash management. This has moved from IA3 due to changes in subject matter. The specifications for the project have been refined and clarified.

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Comprehending	97.92	2.08	0.00	0.00
2	Applying	95.83	3.47	0.69	0.00
3	Analysing	93.06	6.94	0.00	0.00
4	Evaluating	97.22	2.78	0.00	0.00
5	Communicating	100.00	0.00	0.00	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- for the Comprehending criterion, questions included a context that allowed students to demonstrate a thorough understanding of accounting concepts, principles and processes
- for the Analysing criterion, evidence was matched to performance-level descriptors where responses included numerous references to relevant financial data and information contained in the stimulus. These references allowed confirmers to support the provisional mark.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- for the Comprehending criterion, marks are allocated where student responses refer to the context contained in the question rather than providing only a learnt response
- for the Applying criterion, teachers annotate student responses and identify where follow-through errors have been allowed for
- for the Analysing criterion, student responses refer to the most significant issues that are impacting the business's internal controls.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- In the 2025 syllabus, this assessment instrument is now IA2, with minimal changes to the accompanying ISMG.

Samples

The following excerpt has been included as it demonstrates the characteristics of the Comprehending criterion at the upper performance level. The response includes references to various items of expenditure that were presented in the context and allowed the student to demonstrate thorough knowledge of accounting concepts, principles and processes.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Part A

Question 1

Capital expenditure is capitalised and treated as an asset, it appears on the statement of financial position (SFP). It is expenditure on the installation or acquisition of an asset whose useful life will extend over more than one accounting period. The motor vehicle and transit insurance would therefore be capitalised and appear on the SFP. Other expenditure is treated as an expense and is expenditure on services or maintenance that will be consumed in one accounting period. The 12 months registration is other expenditure and will be treated as an expense, appearing on the Statement of profit or loss.

Internal assessment 2 (IA2)



Examination — combination response (25%)

This examination assesses the application of a range of cognitions to multiple provided items — questions, scenarios and problems.

Student responses must be completed individually, under supervised conditions, and in a set timeframe.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	79
Authentication	0
Authenticity	2
Item construction	32
Scope and scale	21

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- in Part A — short items, included insightful scenarios that clearly enabled the explanation of key limitations, e.g. a question requiring students to explain the limitations of the Statement of Financial Position might
 - cite a sole trader manufacturing business containing valuable equipment fully depreciated on the Statement of Financial Position while the equipment is still in good working condition and generating revenue
 - provide figures showing low net asset value despite ongoing productive use

Students could then explain why the Statement of Financial Position may not reflect the true economic value of these assets, highlight limitations (e.g. historical cost valuation, depreciation methods, exclusion of future earnings potential), identify significant characteristics of the statement's limitations, and explain how it may not fully represent the business's financial strength or operational capacity

- in Part B — practical item
 - included a well-constructed question that focused on identifying and correcting the relevant conceptual errors, generating an accurate and fully classified Statement of Profit or Loss and Statement of Financial Position, and applying these to solve a clearly stated goal-oriented problem

- provided a realistic scenario to help students meaningfully apply accounting principles, demonstrating both technical accuracy and practical decision-making relevant to sole trader businesses, e.g. a sole trader required to
 - determine if the business could afford to invest in upgrading AI-enabled equipment without dropping below a minimum cash balance needed for day-to-day operations
 - confirm whether the business's total assets exceeded a specific threshold to qualify for a government grant
- in Part C — extended response item
 - included financial data and information that allowed students to evaluate the business's accounting practices with the aim of improving one key area of performance (profitability or liquidity), depending on the question
 - presented relevant, detailed and authentic data, enabling students to demonstrate analytical and evaluative skills directly related to real-world accounting contexts
 - provided stimulus in which the documents (e.g. inventories report identifying slow-moving or obsolete stock, extracts from the business's credit policy showing payment terms and discount structures) could be interpreted differently depending on the performance area being assessed, such as using inventory data to improve gross profit margins (profitability) or accounts receivable ageing to address cash flow issues (liquidity)
 - provided students with opportunities to make meaningful recommendations for improving the target area of performance while demonstrating a comprehensive understanding of accounting processes
 - promoted authentic problem-solving and encouraged students to connect financial evidence directly to business decision-making in a sole trader context.

Practices to strengthen

It is recommended that assessment instruments:

- in Part A — short items
 - provide opportunities for students to explain the qualitative characteristic of materiality through scenarios where students must explain whether certain financial information is material to decision-making. For example, a scenario relating to a sole trader's purchase of a low-cost office supply item versus a major equipment acquisition could include corresponding financial figures and context. Students would be required to explain why the equipment purchase is material and should be disclosed in financial statements, while the office supplies might be immaterial and expensed immediately
 - provide opportunities for students to describe the accounting entity assumption underpinning the preparation of financial statements through scenarios to clearly distinguish between personal and business transactions, enabling students to identify significant characteristics of the assumption
- in Part B — practical item
 - ensure the accounts selected for forward processing to solve the goal-oriented problem comprehensively reflect key topics (e.g. bad debts, provision for doubtful debts, depreciation, inventories), alongside prepayments and accruals. This will enable students to engage with a broader range of accounting processes essential for accurate financial reporting, and better apply their knowledge of adjusting entries and the matching principle

- carefully align conceptual errors with the specific subject matter of the topic, focusing on common and relevant errors
- in Part C — extended response item, provide seen stimulus with an equal balance of financial data and information relating to both key areas of performance (profitability and liquidity), to avoid leading students towards a predetermined response.

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	2
Language	13
Layout	6
Transparency	2

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- in Part A — short response items, provided stimulus with contextualised financial data to enhance understanding of concepts, principles and processes within the framework of fully classified financial statement reporting for a trading GST business. For example, for a scenario where a sole trader is operating a high-end bicycle retail business, the stimulus could include a detailed ageing accounts receivable report extract in table form, highlighting overdue balances and categorising amounts by time periods. This data would enable students to describe the likelihood of bad debts.

Practices to strengthen

It is recommended that assessment instruments:

- in Part B — practical item, present stimulus materials in a layout that differs significantly from previous QCAA samples, ensuring the content is contextualised and has not been seen by students. This strategy encourages students to engage with unstructured and unfamiliar goal-oriented problems, requires them to develop original solutions rather than relying on prior exposure, and fosters a more authentic and challenging problem-solving experience.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- Aspects of the subject matter and assessments have been revised. This means previous advice from subject reports about IA1 (as it appeared in the 2019 syllabus) will now be relevant to IA2 (2025 syllabus).
- The syllabus conditions no longer include word length for examinations. The *QCE and QCIA policy and procedures handbook v7.0* (Section 8.2.6) provides guidance about managing response length. This guidance applies to more open-ended assessment techniques, such as essays, reports and presentations. By specifying a maximum length for student generated

work for these techniques, the expected scope of the task is appropriately limited. Managing response length does not apply to examinations. For examinations, the syllabus assessment conditions specify the time allocated, including any perusal or planning time. Schools should design examinations with an appropriate number of questions, and provide suitable space or lines for responses, to guide students in completing the examination within the allowed time. A required or recommended word length must not appear on IA2 instruments.

- In Practical response — Synthesising Items 1 and 2, students now calculate yearly and part-year depreciation using either the diminishing balance or straight-line depreciation method.

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Comprehending	99.30	0.70	0.00	0.00
2	Synthesising and solving	97.90	0.70	1.40	0.00
3	Analysing	97.90	2.10	0.00	0.00
4	Evaluating	98.60	1.40	0.00	0.00
5	Communicating	100.00	0.00	0.00	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- for the Comprehending criterion, student responses were matched to the upper performance level where they demonstrated a thorough understanding of the subject matter being assessed
- for the Synthesising criterion, student responses were matched to the upper performance level where they clearly articulated a solution to the goal-orientated problem using financial data and information
- for the Analysing criterion, marks were allocated where students included financial data and information from the stimulus and identified significant relationships and trends.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- in Part C — extended response item, students must focus on the one area of performance, liquidity or profitability, as required in the task.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- In the 2025 Accounting General senior syllabus v1.2, this IA2 assessment item is now IA3, with corresponding minimal changes to the accompanying ISMG.
- There have been minor changes to the objectives. Specifications have been clarified and refined to meet the new assessment objectives.

Schools should also:

- ensure all student work and other appropriate files are uploaded correctly to ensure timely and accurate confirmation decisions can be made.

Samples

The following excerpt has been included as it demonstrates the characteristics of the Comprehending criterion at the upper performance level. The response shows an understanding of accounting concepts, principles and processes to explain the need to include a provision for doubtful debts account when selling goods on credit.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Having a provision for doubtful debts account provides a more accurate accounts receivable figure as it takes into account the value that will not be received, and thus decreases total assets and net profit. This enhances the stakeholders' evaluation of business performance and assists in decision-making purposes. One method is using an ageing accounts receivable analysis and apply varying percentages to each group of overdue accounts to determine the percentage of accounts that are likely to be bad and doubtful debts. The percentages could be based on past experiences.

The following excerpt has been included as it demonstrates the characteristics of the Analysing criterion at the upper performance level. The response demonstrates the examination and identification of significant and relevant relationships.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

The rate of return on Owner's Equity has significantly decreased from 21.91% in 2023 to 3.79% in 2024, being far below the industry average of 25%. Analysis indicates that this is due to the increases in expenses as discussed above which reduced net profit by 80.41%. Customer survey indicates that product quality has decreased overtime, as most customers chose 'average' in 2023 and 'poor' in 2024. Moreover, 40% of customers returned goods due to product issues which contributed to the large sales returns. Thus, the significant decrease in net profit (numerator) and increase in average owner's equity of 13.38% (denominator) led to the reduction in return of owner's equity and could be indicative of overcapitalisation which is further impacted by the reduction in drawings of 66.67%.

110 words

Internal assessment 3 (IA3)



Project — cash management (25%)

This assessment focuses on a problem-solving process that requires the application of a range of cognitive, technical and creative skills and theoretical understandings. Students document the iterative process undertaken to develop a solution to a problem. The response is a coherent work that includes the use of technology (computerised accounting package, spreadsheet software and word processing software) to generate financial documents and a business report. This assessment occurs over an extended and defined period. Students may use class time and their own time to develop a response.

Assessment design

Validity

Validity in assessment design considers the extent to which an assessment item accurately measures what it is intended to measure and that the evidence of student learning collected from an assessment can be legitimately used for the purpose specified in the syllabus.

Reasons for non-endorsement by priority of assessment

Validity priority	Number of times priority was identified in decisions
Alignment	24
Authentication	3
Authenticity	10
Item construction	6
Scope and scale	1

Effective practices

Validity priorities were effectively demonstrated in assessment instruments that:

- fostered engagement, strengthened real-world problem-solving skills and mirrored the complexities of authentic business environments by
 - integrating current industry benchmark data and relevant statistics to guide budgetary decisions, enabling students to compare business performance against sector norms
 - providing stimulus that featured extracts from recent market trend reports, allowing for informed forecasting and planning, alongside up-to-date business loan interest rate information to support financing decisions. This encouraged students to analyse and interpret information from multiple perspectives, select the most relevant data for the task, and apply it effectively to decision-making processes.

Practices to strengthen

It is recommended that assessment instruments:

- provide a real-life accounting context for a trading GST business where the financial data and information enable the goal-oriented problem to be solved in an authentic and realistic manner, with multiple possible solutions that reflect the complexities of real business

decision-making. For example, the goal-oriented problem might involve a sole trader with a surfboard manufacturing business deciding whether to purchase a specialised surfboard-shaping machine. The seen stimulus could provide three months of detailed financial data and other information, e.g. GST-inclusive sales and purchases, operating expenses, cash receipts and payments, accounts receivable and payable balances, inventory turnover figures, bank statement extract. Additional information (e.g. expected seasonal demand, multiple supplier quotations for the machine with different terms and conditions, maintenance costs) could also be included. Such comprehensive data would ensure students must analyse, interpret and evaluate financial information in depth before determining whether the major non-current asset purchase is feasible

- provide stimulus containing substantial variances in the cash budgeting data so students can produce a wide range of responses in both the cash budget and the business report to the business manager. The variances should be significant enough to affect decision-making and create multiple plausible interpretations. For example, in a scenario where a sole trader with a custom skateboard manufacturing business is facing the goal-oriented problem of moving to new premises, budgeted sales for a quarter could decrease sharply due to delays in receiving imported skateboard materials, while expenses (e.g. freight, storage costs, increased rent for the new location) rise significantly. These fluctuations would require students to reassess projected cash inflows and outflows during the budgetary period, investigating strategies such as renegotiating supplier terms or adjusting production schedules, and justify their recommendations in the business report. If variances are too small (e.g. a 5–10% difference), student responses may be similar, limiting opportunities to successfully engage in the problem-solving model.

Accessibility

Accessibility in assessment design ensures that no student or group of students is disadvantaged in their capacity to access an assessment.

Reasons for non-endorsement by priority of assessment

Accessibility priority	Number of times priority was identified in decisions
Bias avoidance	0
Language	6
Layout	0
Transparency	3

Effective practices

Accessibility priorities were effectively demonstrated in assessment instruments that:

- contained appropriate stimulus with varied financial data and information, using authentic business documentation (e.g. comparative rental quotes for potential new premises, fit-out contractor estimates, utility connection fee schedules) in distinctive and realistic formats (e.g. segmented annotated lease agreements highlighting key terms, supplier invoices for moving services). This approach enhanced clarity, strengthened authenticity and encouraged students to interpret, analyse and evaluate financial data accurately within the context of the scenario.

Practices to strengthen

It is recommended that assessment instruments:

- incorporate a range of authentic financial data and information, using realistic business documentation rather than simple lists.

Additional advice

When developing an assessment instrument for this IA, it is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- Aspects of the subject matter and assessments have been revised. This means previous advice from subject reports about IA2 (as it appeared in the 2019 syllabus) will now be relevant to IA3 (2025 syllabus).

Assessment decisions

Reliability

Reliability refers to the extent to which the results of assessments are consistent, replicable and free from error.

Agreement trends between provisional and confirmed marks

Criterion number	Criterion name	Percentage agreement with provisional	Percentage less than provisional	Percentage greater than provisional	Percentage both less and greater than provisional
1	Applying	99.31	0.00	0.69	0.00
2	Synthesising and solving	99.31	0.69	0.00	0.00
3	Analysing	99.31	0.69	0.00	0.00
4	Evaluating	100.00	0.00	0.00	0.00
5	Communicating	100.00	0.00	0.00	0.00

Effective practices

Reliable judgments were made using the ISMG for this IA when:

- for the Analysing criterion, student responses were matched to the upper performance level where they used financial data and information to show the impact of the goal-oriented problem on the business's cash flow
- for the Evaluating criterion, student responses were matched to the upper performance level where they thoroughly justified the proposed changes and the impact these would have on the business
- for the Synthesising and solving criterion, marks were allocated where structured and unstructured financial data and information were used to aid in the completion of unique cash budgets. The uniqueness of the cash budget allowed for a variety of solutions to solve the goal-orientated problem.

Practices to strengthen

To further ensure reliable judgments are made using the ISMG for this IA, it is recommended that:

- in responses matched to the upper performance level for the Analysing criterion, there is evidence of thorough interpretation of trends in financial data and information relating to cash management.

Additional advice

It is essential to consider the following key differences between the 2019 and 2025 syllabuses:

- In the 2025 syllabus, this IA3 assessment item is now IA1.

Schools should also:

- consider the changes to the subject matter that affect the ISMG and incorporate the
 - removal of the computer accounting package from the required subject matter
 - preparation of a fully classified Statement of Cash Flows
 - change to objectives resulting in a change to the Synthesising criterion and descriptors
 - minor changes to the ISMG due to the change in order of assessment tasks.
- ensure all files are correctly uploaded for each sample and are of appropriate size for readability. For example, schools should ensure appropriate formatting when printing cash budgets to avoid having spreadsheets separated across multiple pages or font so small the student response cannot be easily read.

Samples

The following excerpt has been included as it illustrates the use of a pie graph to support the analysis of the current overall performance of the business.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

2.0 Overall Performance

A significant issue with FP is the low profitability shown by the net profit ratio for the March 2025 quarter of -6.21%, indicating mismanagement of expenses. Significant expenses include high wages (20.33%) and rent (37.20%). Despite a 122.57% increase in sales from January to March, the net operating loss of \$4,444 (appendix 2) indicates that FP's performance is concerning.

FP is yet to receive \$63,750 from debtors with \$9,900 being one month overdue and \$2,920 being more than two months overdue (appendix 3), which worsens the cash position affecting FP's ability to meet payments. As at the 31st of March 2025, FP has \$14,738 cash at bank, which is insufficient to pay off the \$17,600 owing to creditors. The net loss and limited cash at bank restricts the cash available to be reinvested in the business.

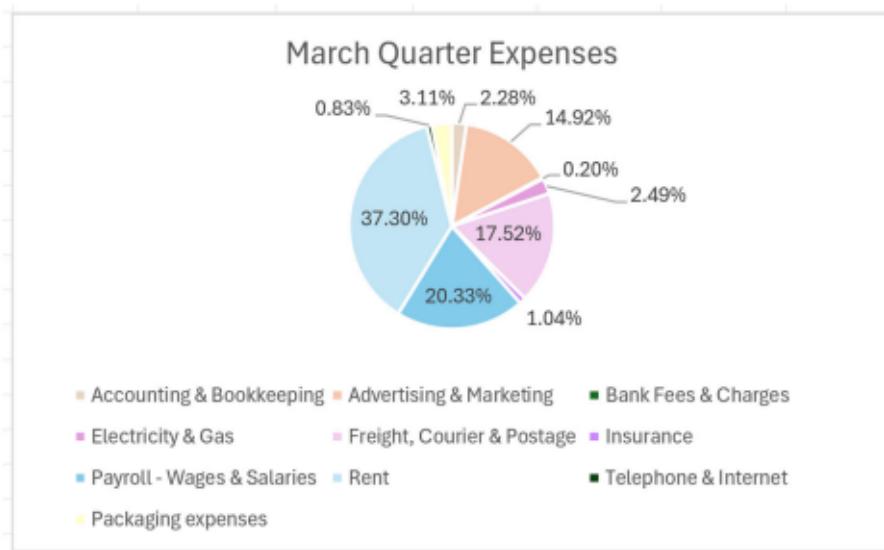


Figure 1.

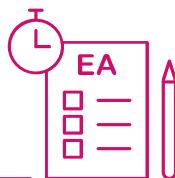
The following excerpt has been included as it illustrates the use of a spreadsheet to provide financial data as evidence to assist in analysing and evaluating when an owner is seeking appropriate decisions to solve the goal-oriented problem.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred through a response.

Cash Budget Purchase delivery vehicle (August) for the six months ending September 2025						
	April	May	June	July	August	September
Estimated Cash Receipts						
Cash Sales	15,393	16,624	17,954	19,391	20,942	22,617
Credit Sales	20,207	24,237	30,427	31,423	33,936	36,651
GST receivable	-	3,949	2,313	2,489	4,479	6,188 ✓
Term deposit			150			150
	35,600	44,811	50,844	53,302	59,358	65,607
Estimated Cash Payments						
Accounts Payable	17,600	10,995	11,875	12,824	13,850	14,958
Cash refunds	1,759	1,900	2,052	2,216 ✓		
Rent	19,800			19,800		
Vehicle					49,500	
Advertising	880	950	1,026	1,108	1,197	1,292
Accounting expenses	440	440	440	440	440	440
Wages	2,640	2,640	2,640	2,640	2,640	2,640
Additional Wages					4,200 ✓	4,200 ✓
Bank charges	35	35	35	35	35	35
Telephone and internet	112	114	117	119	121	124
Courier fees ✓	7,916 ✓	8,550 ✓	9,234 ✓	9,972 ✓		
Electricity expense	660	660	660	660	660	660
Packaging costs	880	950	1,026	1,108	1,197	1,292
Drawings	3,000	3,000	3,000	3,000	3,000	3,000
GST Payable	1,002	3,998	4,318	4,663	5,037	5,439
Interest on Overdraft		80				116
	56,724	34,312	36,422	58,586	81,877	34,197
Cash Balance (beginning of month)	14,738	-	6,386	4,113	18,536	13,251
Excess cash receipts/payments	-	21,124	10,499	14,422	-	5,284
Cash Balance (end of month)	-	6,386	4,113	18,536	13,251	-
					9,268	22,142

✓ ✓ ✓ ✓ ✓ ✓

All changes
adjusted for
correctly!



External assessment

External assessment (EA) is developed and marked by the QCAA. The external assessment for a subject is common to all schools and administered under the same conditions, at the same time, on the same day. The external assessment papers and the EAMG are published in the year after they are administered.

Examination — short response (25%)

Assessment design

The assessment instrument was designed using the specifications, conditions and assessment objectives described in the summative external assessment section of the syllabus.

The examination consisted of one paper (60 marks).

The examination assessed subject matter from Unit 4. Questions were derived from the context of Topic 2: Complete accounting processes for a trading GST business and Topic 3: Performance analysis of a public company.

The assessment required students to respond to 10 multiple choice items and 3 short response items and involved:

- preparing a fully classified Statement of Profit or Loss and fully classified Statement of Financial Position based on accrual accounting principles
- providing advice to a business owner on whether the goal of a 7% return on owner's equity had been met
- analysing, interpreting and evaluating the financial statements of a public company to provide a justified decision and recommendation to the board of directors regarding a proposed acquisition.

The 10 multiple choice items were derived from both Topics 2 and 3 and covered a wide selection of subject matter.

The stimulus items were presented as three separate case studies and included a range of financial data and information. The first case study involved the recording as at 30 June 2025 of a variety of transactions, including the writing off of bad debts and the creation of a suitable provision for doubtful debts balance for the following financial year. The second required the use of accrual accounting to record a wide variety of transactions for a business that had been operating using the cash accounting method of recording transactions for that financial year. That owner then required advice as to which method should be adopted for the following financial year. The third case study required a detailed horizontal analysis and evaluation of the profitability and liquidity of a public company to arrive at a conclusion as to whether a proposed acquisition should proceed.

Assessment decisions

Assessment decisions are made by markers by matching student responses to the external assessment marking guide (EAMG).

Multiple choice question responses

There were 10 multiple choice questions.

Percentage of student responses to each option

Note:

- The correct answer is **bold** and in a **blue** shaded table cell.
- Some students may not have responded to every question.

Question	A	B	C	D
1	32.52	9.42	21.06	35.94
2	13.53	33.95	37.04	13.26
3	49.24	10.99	16.17	22.59
4	50.72	18.24	18.80	11.13
5	1.89	3.74	58.61	34.60
6	11.36	50.95	30.67	5.36
7	21.02	25.59	17.88	33.12
8	34.64	35.57	20.37	7.39
9	25.77	24.67	31.04	15.89
10	11.92	13.53	14.04	58.24

Effective practices

Overall, students responded well to:

- Question 11 when writing off a bad debts account and creating the new provision for doubtful debts for the next financial year
- Question 12b) by applying accounting principles and processes and Question 12c) by synthesising and solving goal-oriented problems when preparing fully classified accounting reports for a trading GST business
- Question 13 by demonstrating an ability to support conclusions by identifying trends in financial data and information.

Practices to strengthen

When preparing students for external assessment, it is recommended that teachers consider:

- incorporating teaching and learning activities aimed at improving proficiency in the complete accounting process, including recording a selection of transactions, e.g. GST, balance day adjustments, closing and reversing entries
- including unfamiliar and unstructured pieces of stimulus in classroom tasks

- placing additional focus on the differentiation between profitability, liquidity and stability ratios to ensure that students can select and calculate ratios from the relevant area as required in the task
- emphasising that when evaluating, students need to justify decisions using criteria that assess strengths and limitations, and support these decisions with relevant financial data and information from the financial reports and/or stimulus.

Samples

Short response

Question 12

This question required students to:

- use Stimulus 2 to apply accounting principles and processes and synthesise and solve accounting problems for a sole trader business
- provide justified advice as to which method of recording financial information should be adopted in the following financial year.

Question 12c) required students to use accrual accounting to prepare the fully classified Statement of Financial Position as at 30 June 2025.

Effective student responses:

- correctly selected and classified accounts and recorded amounts in the Statement of Financial Position as at 30 June 2025.

The following excerpt from Question 12c) has been included:

- to illustrate the use of accrual accounting to correctly select, classify and record amounts in all sections of the Statement of Financial Position as at 30 June 2025.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

Bicycle business Statement of Financial Position as at 30 June 2025				
	\$	\$	\$	\$
Current Assets				
Cash at Bank		115915		
Inventory		30000		
prepaid expense	9000		166815	
Add non-current Assets				
Property, Plant and Equipment				
Delivery vehicle	25000			
(less Accumulated depre. on delivery van.)	2500	22500	22500	16935
Total Assets				169315
Less Current Liabilities				
Accrued expenses		1800		
GST payable	840		2640	
Less non-current Liabilities				
Bank Loan	27500	27500	30140	
Net Assets				\$ 139175
As Represented by Owner's Equity				
Capital		150000		
(less Drawings)		15000		
Net profit	4175			\$ 139175

Based on the results in Questions 12a), 12b) and 12c), students were required to provide justified advice to the owner as to which method would be most suitable for recording financial information, given the goal was to achieve a 7% return on owner's equity for the financial year.

Effective student responses:

- included references to financial data and information contained in both the stimulus documents and the completed reports
- identified if the goal had been met
- stated a valid and justified recommendation to the owner.

The following excerpt from Question 12d) has been included:

- to illustrate the inclusion of references to financial data and information contained in the financial documents just prepared
- to model how the student provided justified advice to the owner of the business as to which method of recording financial information should be adopted.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

While cash accounting recognises transaction when the cash flow occurs (ie revenues when receipts are received and expenses when cash is paid out), accrual accounting recognises transactions once they have a financial impact on the entity (ie revenues when earned and expenses when incurred). Employing accrual accounting ensures revenues and expenses can be matched to the period they occurred in which is especially beneficial for transactions that do not coincide neatly within an accounting period as balance day adjustment can be prepared to maximise the accuracy of profit determination.

For instance a cash accounting method would only record transaction posted to the general ledger in Day, resulting in total revenues, of \$199,000 but expenses of \$191,425, overestimating profit of ~~\$7575~~⁶⁸⁵⁰ compared to ~~paid but not incurred~~^{wrong} \$4175 (21) since pre-paid advertising (\$900) and accrued expenses, incurred but not paid of \$1800. Hence accrual accounting should be used to accurately monitor return on equity.

Question 13

Question 13a) required students to use horizontal analysis to analyse and interpret the profitability and liquidity of a public company.

Effective student responses:

- accurately calculated one ratio from both profitability and liquidity
- provided valid and justified conclusions about the profitability and liquidity of the company
- supported conclusions with the inclusion of financial data and information from the ratio calculations and stimulus documents.

The following excerpt has been included:

- to illustrate examples of detailed horizontal analysis of profitability

- to provide examples of the use of analysis of ratios and references to financial data and information.

Note: The characteristic/s identified may not be the only time the characteristic/s occurred throughout a response.

The business's net profit ratio decreased significantly 14% from 18% in 2024 to 10% in 2025, due to the 3% decrease in sales revenue and 30% decrease in profit for the year. This occurred due to the decrease in revenues, largely due to the \$71.7 million decrease in licensing fees and \$4 million decrease in advertising revenue. Furthermore, the decrease in net profit occurred due to the increase in expenses, particularly the \$1 million increase in advertising, \$10 million increase in other expenses from operating activities and largely the one-off \$26 million major IT project implementation cost. Overall, the decreased revenue and increases expenses resulted in a 31% decrease in profit before tax, indicating decreased profitability. Furthermore, basic earnings per share decreased from 13.3 cents to 9.4