

Accounting 2019 v2.0

General Senior Syllabus

This syllabus is for implementation with Year 11 students in 2019.

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1 Course overview

1.1 Introduction

1.1.1 Rationale

Accounting is a universal discipline, encompassing the successful management of financial resources of the public sector, businesses and individuals. It is foundational to all organisations across all industries, and assists in discharging accountability and financial control. Accounting is a way of systematically organising, critically analysing and communicating financial data and information for decision-making. The overarching context for this syllabus is the real-world expectation that accounting provides real-time processing of transactions with a minimum of monthly and yearly reporting. Digital technologies are integral to accounting, enabling real-time access to vital financial information.

When students study this subject, they develop an understanding of the essential role accounting plays in the successful performance of any organisation. Students learn fundamental accounting concepts in order to develop an understanding of accrual accounting, managerial and accounting controls, internal and external financial statements, and ratio analysis. Students are then ready for more complex utilisation of knowledge, allowing them to synthesise financial and other information, evaluate accounting practices, solve authentic accounting problems and make and communicate recommendations.

Accounting is for students with a special interest in business, commerce, entrepreneurship and the personal management of financial resources. The numerical, literacy, technical, financial, critical thinking, decision-making and problem-solving skills learned in Accounting enrich the personal and working lives of students. Problem-solving and the use of authentic and diversified accounting contexts provide opportunity for students to develop an understanding of the ethical attitudes and values required to participate more effectively and responsibly in a changing business environment.

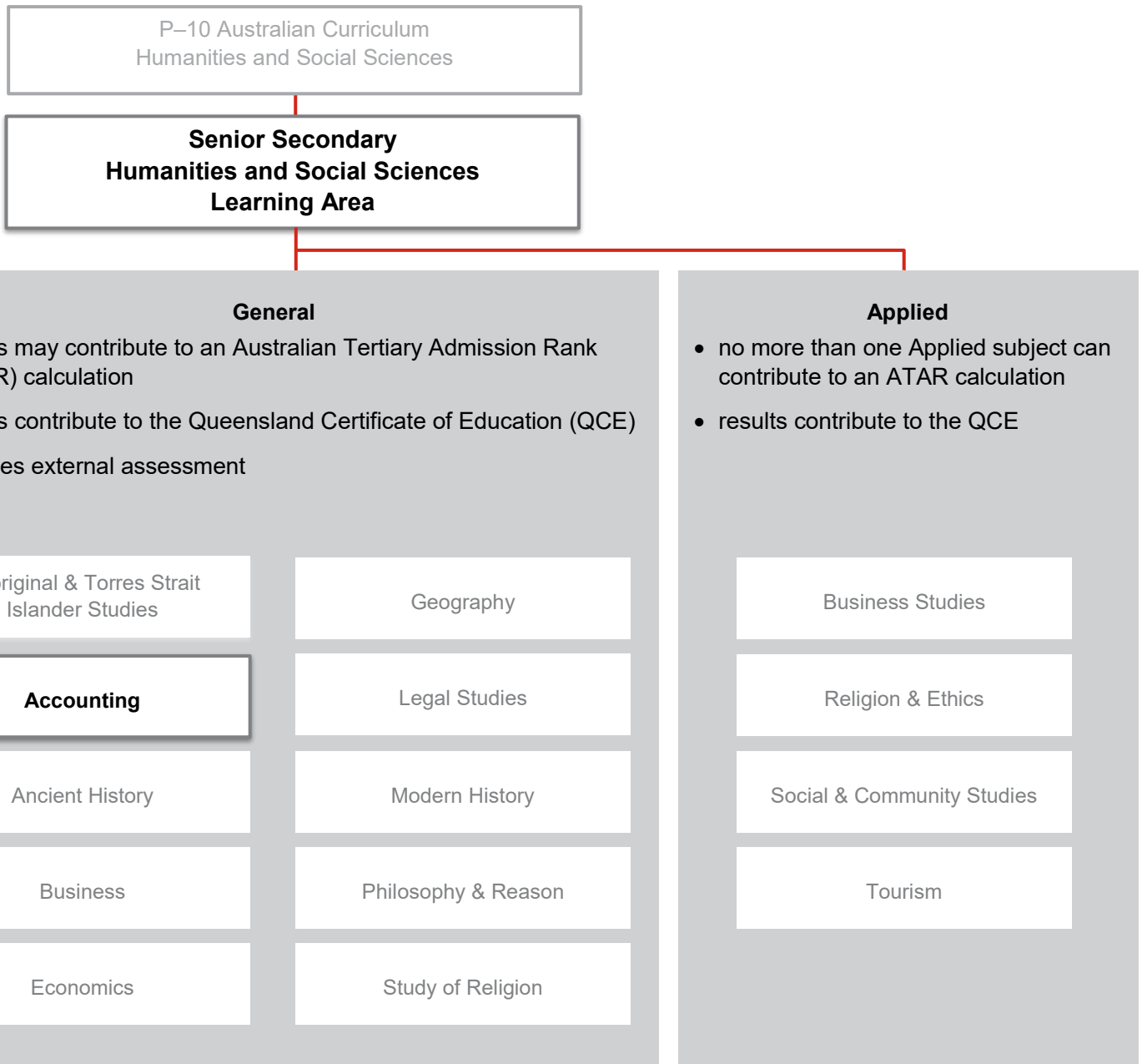
Pathways

Accounting is a General subject suited to students who are interested in pathways beyond school that lead to tertiary studies, vocational education or work. A course of study in Accounting can establish a basis for further education and employment in the fields of accounting, business, management, banking, finance, law, economics and commerce. As the universal language of business (Helliar 2013), Accounting provides students with a variety of future opportunities, enabling a competitive advantage in entrepreneurship and business management in many types of industries, both locally and internationally.

1.1.2 Learning area structure

All learning areas build on the P–10 Australian Curriculum.

Figure 1: Learning area structure



1.1.3 Course structure

Accounting is a course of study consisting of four units. Subject matter, learning experiences and assessment increase in complexity from Units 1 and 2 to Units 3 and 4 as students develop greater independence as learners.

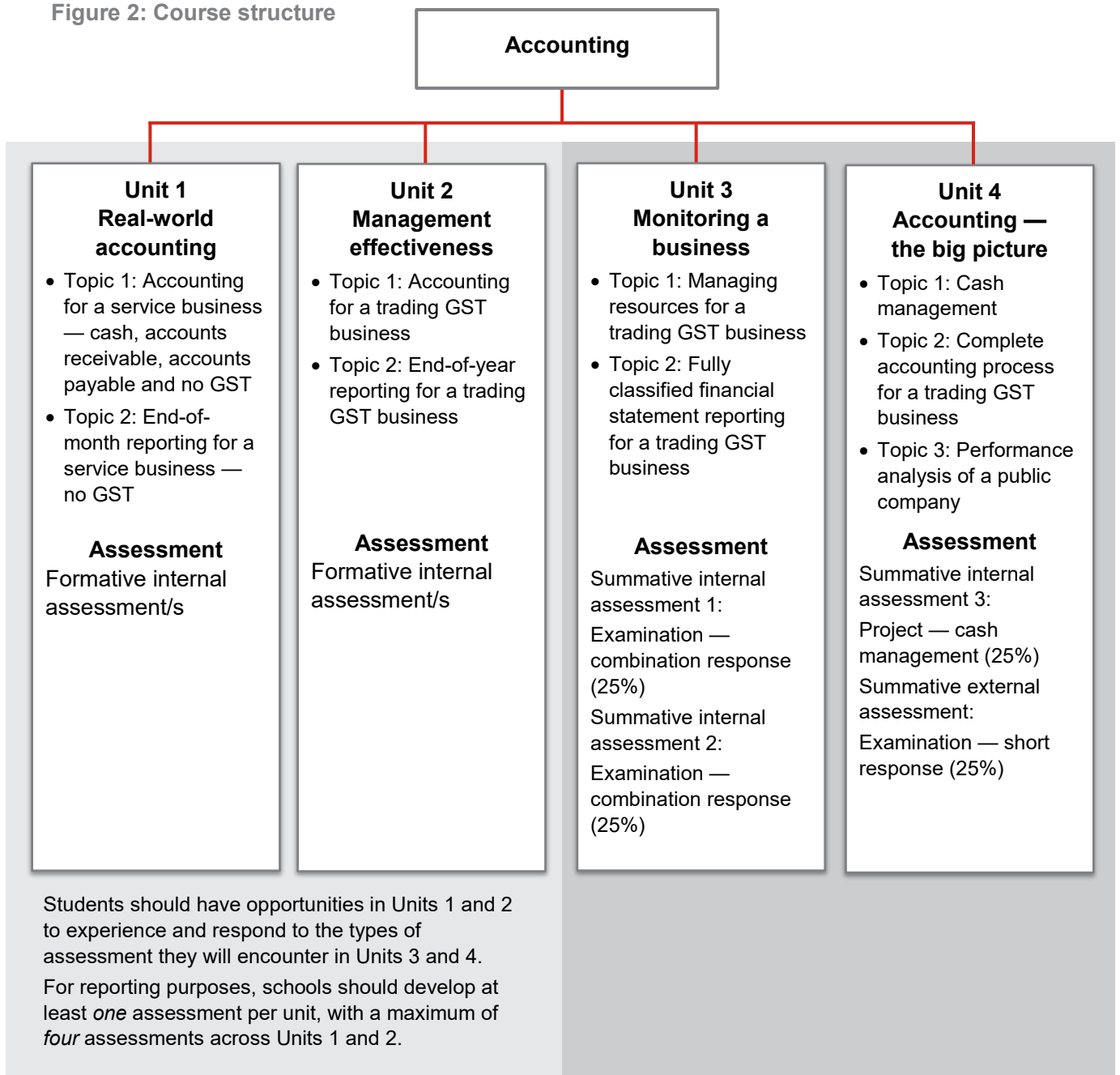
Units 1 and 2 provide foundational learning, which allows students to experience all syllabus objectives and begin engaging with the course subject matter. Students should complete Units 1 and 2 before beginning Unit 3. It is recommended that Unit 3 be completed before Unit 4.

Units 3 and 4 consolidate student learning. Only the results from Units 3 and 4 will contribute to ATAR calculations.

Figure 2 outlines the structure of this course of study.

Each unit has been developed with a notional time of 55 hours of teaching and learning, including assessment.

Figure 2: Course structure



1.2 Teaching and learning

1.2.1 Syllabus objectives

The syllabus objectives outline what students have the opportunity to learn. Assessment provides evidence of how well students have achieved the objectives.

Syllabus objectives inform unit objectives, which are contextualised for the subject matter and requirements of the unit. Unit objectives, in turn, inform the assessment objectives, which are further contextualised for the requirements of the assessment instruments. The number of each objective remains constant at all levels, i.e. Syllabus objective 1 relates to Unit objective 1 and to Assessment objective 1 in each assessment instrument.

Syllabus objectives are described in terms of actions that operate on the subject matter. Students are required to use a range of cognitive processes in order to demonstrate and meet the syllabus objectives. These cognitive processes are described in the explanatory paragraph following each objective in terms of four levels: retrieval, comprehension, analytical processes (analysis) and knowledge utilisation, with each process building on the previous processes (see Marzano & Kendall 2007, 2008). That is, comprehension requires retrieval, and knowledge utilisation requires retrieval, comprehension and analytical processes (analysis).

By the conclusion of the course of study, students will:

Syllabus objective	Unit 1	Unit 2	Unit 3	Unit 4
1. comprehend accounting concepts, principles and processes	•	•	•	•
2. apply accounting principles and processes	•	•	•	•
3. analyse and interpret financial data and information	•	•	•	•
4. evaluate accounting practices to make decisions and propose recommendations	•	•	•	•
5. synthesise and solve accounting problems		•	•	•
6. create responses that communicate meaning to suit purpose and audience	•	•	•	•

1. comprehend accounting concepts, principles and processes

When students comprehend accounting concepts, principles and processes, they identify characteristics to construct meaning. Comprehending involves demonstrating understanding through descriptions, explanations, completing calculations, identifying and ordering steps in a skill or process, and using accounting terminology.

2. apply accounting principles and processes

When students apply accounting principles and processes, they use forward processing to produce a solution to a fundamental problem (structured and familiar).

3. analyse and interpret financial data and information

When students analyse, they examine financial data and information to identify relationships and explain issues or problems. When interpreting financial data and information, students recognise trends to determine how the parts relate to one another and have meaning.

4. evaluate accounting practices to make decisions and propose recommendations

When students evaluate, they use their knowledge from their analysis and interpretation to make decisions about existing or alternative accounting practices and then propose recommendations. Decisions are made by assessing strengths and limitations.

5. synthesise and solve accounting problems

When students synthesise and solve, they construct solutions to goal-oriented problems (unstructured and unfamiliar). The financial data and information is identified and combined into a whole to recognise the complications in obtaining a solution. Students adapt and apply their knowledge of accounting concepts, principles and processes to develop a solution to solve the accounting problem. This may involve the use of forward processing and/or backward processing.

6. create responses that communicate meaning to suit purpose and audience

When students create a response that communicates meaning, they use their knowledge to make links to the intended purpose and audience. Communication requires choices of language, and the sequencing and development of ideas. Students use a genre, including graphs, data and statistics to suit accounting contexts.

1.2.2 Underpinning factors

There are three skill sets that underpin senior syllabuses and are essential for defining the distinctive nature of subjects:

- literacy — the set of knowledge and skills about language and texts essential for understanding and conveying Accounting content
- numeracy — the knowledge, skills, behaviours and dispositions that students need to use mathematics in a wide range of situations, to recognise and understand the role of mathematics in the world and to develop the dispositions and capacities to use mathematical knowledge and skills purposefully
- 21st century skills — the attributes and skills students need to prepare them for higher education, work and engagement in a complex and rapidly changing world.

These skill sets, which overlap and interact, are derived from current education, industry and community expectations. They encompass the knowledge, skills, capabilities, behaviours and dispositions that will help students live and work successfully in the 21st century.

Together these three skill sets shape the development of senior subject syllabuses. Although coverage of each skill set may vary from syllabus to syllabus, students should be provided with opportunities to learn through and about these skills over the course of study. Each skill set contains identifiable knowledge and skills that can be directly assessed.

Literacy in Accounting

Ongoing systematic teaching and learning focused on the literacy knowledge and skills specific to Accounting is essential for student achievement.

Students need to learn and use knowledge and skills of reading, viewing and listening to understand and learn the content of Accounting. Students need to learn and use the knowledge and skills of writing, composing and speaking to convey the Accounting content they have learnt.

To understand and use Accounting content, teaching and learning strategies include:

- familiarity with the syntax of accounting, that is, the use of terminology and specialised accounting language
- comprehending accounting texts, financial data and information from a range of sources and presented in a variety of formats, to stimulate learning
- transforming accounting ideas and contexts, from a variety of sources, to develop understanding
- using language and text to convey accounting meaning in written and non-written formats to suit audience and purpose.

These aspects of literacy knowledge and skills are embedded in the syllabus objectives, unit objectives and subject matter, and instrument-specific marking guides (ISMGs) for Accounting.

Numeracy in Accounting

Although much of the explicit teaching of numeracy skills occurs in Mathematics, being numerate involves using mathematical skills across the curriculum. Therefore, numeracy development is an essential component of teaching and learning across the curriculum and a responsibility for all teachers.

To understand and use Accounting content, teaching and learning strategies include:

- extracting, converting or translating information given in numerical forms
- representing and interpreting financial data and accounting information using conceptual models, statistics and calculations
- identifying trends and relationships in financial data and other accounting information
- communicating accounting meaning through the application of numeracy.

These aspects of numeracy knowledge and skills are embedded in the syllabus objectives, unit objectives and subject matter, and ISMGs for Accounting.

21st century skills

The 21st century skills identified in the following table reflect a common agreement, both in Australia and internationally, on the skills and attributes students need to prepare them for higher education, work and engagement in a complex and rapidly changing world.

21st century skills	Associated skills	21st century skills	Associated skills
critical thinking	<ul style="list-style-type: none"> • analytical thinking • problem-solving • decision-making • reasoning • reflecting and evaluating • intellectual flexibility 	creative thinking	<ul style="list-style-type: none"> • innovation • initiative and enterprise • curiosity and imagination • creativity • generating and applying new ideas • identifying alternatives • seeing or making new links
communication	<ul style="list-style-type: none"> • effective oral and written communication • using language, symbols and texts • communicating ideas effectively with diverse audiences 	collaboration and teamwork	<ul style="list-style-type: none"> • relating to others (interacting with others) • recognising and using diverse perspectives • participating and contributing • community connections

21st century skills	Associated skills	21st century skills	Associated skills
personal and social skills	<ul style="list-style-type: none"> • adaptability/flexibility • management (self, career, time, planning and organising) • character (resilience, mindfulness, open- and fair-mindedness, self-awareness) • leadership • citizenship • cultural awareness • ethical (and moral) understanding 	Information & communication technologies (ICT) skills	<ul style="list-style-type: none"> • operations and concepts • accessing and analysing information • being productive users of technology • digital citizenship (being safe, positive and responsible online)

To understand and use Accounting content and promote 21st century skills, teaching and learning strategies include:

- developing critical thinking, reasoning and problem-solving skills by breaking complex aspects into component parts to construct understanding, then using this to make and verify findings, and critically reflect on, evaluate and justify decisions
- inspiring creativity by encouraging curiosity and posing questions about accounting contexts and situations, to imagine possibilities, consider alternatives and generate solutions
- cultivating specialised language, terminology, symbols and diagrams associated with effective and efficient accounting communication
- using digital technologies to produce and present financial data and information, research and interrogate accounting information and manipulate data to ascertain trends and relationships
- promoting opportunities for students to work collaboratively and constructively in pairs or small groups, to develop personal, intrapersonal and social skills, and also to maximise their own understanding of accounting concepts through peer discussions.

These elements of 21st century skills are embedded in the syllabus objectives, unit objectives and subject matter, and ISMGs for Accounting.

1.2.3 Aboriginal perspectives and Torres Strait Islander perspectives

The QCAA is committed to reconciliation in Australia. As part of its commitment, the QCAA affirms that:

- Aboriginal peoples and Torres Strait Islander peoples are the first Australians, and have the oldest living cultures in human history
- Aboriginal peoples and Torres Strait Islander peoples have strong cultural traditions and speak diverse languages and dialects, other than Standard Australian English
- teaching and learning in Queensland schools should provide opportunities for students to deepen their knowledge of Australia by engaging with the perspectives of Aboriginal peoples and Torres Strait Islander peoples
- positive outcomes for Aboriginal students and Torres Strait Islander students are supported by successfully embedding Aboriginal perspectives and Torres Strait Islander perspectives across planning, teaching and assessing student achievement.

Guidelines about Aboriginal perspectives and Torres Strait Islander perspectives and resources for teaching are available at www.qcaa.qld.edu.au/k-12-policies/aboriginal-torres-strait-islander-perspectives.

1.2.4 Pedagogical and conceptual frameworks

Conceptual understanding of Accounting

This syllabus provides an opportunity for teachers to focus on and further develop in students a conceptual understanding of Accounting. Conceptual understanding is important for effective critical thinking (Kimmel 1995). Education in Accounting is not just about teaching and learning technical knowledge such as double entry bookkeeping. Students also need to be able to apply accounting concepts to solve real-life problems in varying contexts (Helliard 2013).

An approach to problem-solving in Accounting

The combination of subject matter with problem-solving processes enables students to learn and apply accounting concepts (Deleo & Letourneau 1994). By emphasising a conceptual (rather than rules-based) understanding of Accounting and emphasising critical thinking skills, students are provided with the tools to process unstructured, ambiguous and unfamiliar problems requiring problem-solving abilities (Kimmel 1995).

Problem-solving models can develop analytical and conceptual thinking in Accounting students (Deleo & Letourneau 1994). Effective problem-solving and decision-making requires students to use critical thinking to relate the known to the unknown and creative thinking to produce innovative solutions or alternative courses of action (Brabete & Nimalathasan 2010).

A problem-solving model

Use of a problem-solving model provides opportunity for students to develop their critical thinking.

Figure 3: A problem-solving model



The use of a problem-solving model provides a strategy for processing problems and includes:

- defining the problem
 - comprehend available information to define the accounting problem
- clarifying the problem
 - identify and analyse the data and information relating to the accounting problem
 - interpret analysed data and information
 - synthesise the information from the analysis and interpretation
- generating solutions
 - use forward processing and/or backward processing
- evaluating alternatives
 - explore the options
 - make a decision
- reviewing
 - assess the effectiveness of the selected solution and processes implemented
 - self-assessment, peer assessment and teacher feedback.

Types of problems

The subject matter provides opportunity for students to apply their comprehension of accounting concepts, principles and processes to solve fundamental and goal-oriented problems.

Fundamental problems are highly structured questions. These are well defined, including structured and familiar financial data and information, allowing students to apply concepts, principles and processes to generate a solution. Students use forward processing (see Figure 4).

Goal-oriented problems involve trying to find a 'best' answer to a situation that the solver has not confronted before (Kimmel 1995). These problems are unstructured and unfamiliar. In Unit 2, students use forward processing, and in Units 3 and 4 students use backward processing to recognise clerical errors, conceptual errors and consequential errors, and forward processing to generate solutions (see Figure 4).

Figure 4: Suggested application of problems

Types of problems	Unit 1	Unit 2	Unit 3	Unit 4	Objectives
Fundamental problems	Topics 1 and 2 forward processing	Topics 1 and 2 forward processing	Topics 1 and 2 forward processing	Topics 1, 2 and 3 forward processing	2
Goal-oriented problems	Not applicable	Topics 1 and 2 forward processing	Topics 1 and 2 forward and backward processing	Topics 1 and 2 forward and backward processing	5

1.2.5 Subject matter

Subject matter is the body of information, mental procedures and psychomotor procedures (see Marzano & Kendall 2007, 2008) that are necessary for students' learning and engagement with Accounting. It is particular to each unit in the course of study and provides the basis for student learning experiences.

Subject matter has a direct relationship to the unit objectives, but is of a finer granularity and is more specific. These statements of learning are constructed in a similar way to objectives.

Each statement:

- describes an action (or combination of actions) — what the student is expected to do
- describes the element — expressed as information, mental procedures and/or psychomotor procedures
- is contextualised for the topic or circumstance particular to the unit.

In Accounting, the topics relate to two focus areas in each unit.

Focus area	Unit 1	Unit 2	Unit 3	Unit 4
Recording and controlling	Topic 1: Accounting for a service business — cash, accounts receivable, accounts payable and no GST	Topic 1: Accounting for a trading GST business	Topic 1: Managing resources for a trading GST business	Topic 1: Cash management Topic 2: Complete accounting process for a trading GST business
Reporting and decision-making	Topic 2: End-of-month reporting for a service business — no GST	Topic 2: End-of-year reporting for a trading GST business	Topic 2: Fully classified financial statement reporting for a trading GST business	Topic 3: Performance analysis of a public company

1.3 Assessment — general information

Assessments are formative in Units 1 and 2, and summative in Units 3 and 4.

Assessment	Unit 1	Unit 2	Unit 3	Unit 4
Formative assessments	•	•		
Summative internal assessment 1			•	
Summative internal assessment 2			•	
Summative internal assessment 3				•
Summative external assessment				•

1.3.1 Formative assessments — Units 1 and 2

Formative assessments provide feedback to both students and teachers about each student's progress in the course of study.

Schools develop internal assessments for each senior subject, based on the learning described in Units 1 and 2 of the subject syllabus. Each unit objective must be assessed at least once.

For reporting purposes, schools should devise at least *two* but no more than *four* assessments for Units 1 and 2 of this subject. At least *one* assessment must be completed for *each* unit.

The sequencing, scope and scale of assessments for Units 1 and 2 are matters for each school to decide and should reflect the local context.

Teachers are encouraged to use the A–E descriptors in the reporting standards (Section 1.4) to provide formative feedback to students and to report on progress.

1.3.2 Summative assessments — Units 3 and 4

Students will complete a total of *four* summative assessments — three internal and one external — that count towards their final mark in each subject.

Schools develop *three* internal assessments for each senior subject, based on the learning described in Units 3 and 4 of the syllabus.

The three summative internal assessments will be endorsed and the results confirmed by the QCAA. These results will be combined with a single external assessment developed and marked by the QCAA. The external assessment results for Accounting will contribute 25% towards a student's result.

Summative internal assessment — instrument-specific marking guides

This syllabus provides ISMGs for the three summative internal assessments in Units 3 and 4.

The ISMGs describe the characteristics evident in student responses and align with the identified assessment objectives. Assessment objectives are drawn from the unit objectives and are contextualised for the requirements of the assessment instrument.

Criteria

Each ISMG groups assessment objectives into criteria. An assessment objective may appear in multiple criteria, or in a single criteria of an assessment.

Making judgments

Assessment evidence of student performance in each criterion is matched to a performance-level descriptor, which describes the typical characteristics of student work.

Where a student response has characteristics from more than one performance level, a best-fit approach is used. Where a performance level has a two-mark range, it must be decided if the best fit is the higher or lower mark of the range.

Authentication

Schools and teachers must have strategies in place for ensuring that work submitted for internal summative assessment is the student's own. Authentication strategies outlined in the QCAA guidelines, which include guidance for drafting, scaffolding and teacher feedback, must be adhered to.

Summative external assessment

The summative external assessment adds valuable evidence of achievement to a student's profile. External assessment is:

- common to all schools
- administered under the same conditions at the same time and on the same day
- developed and marked by the QCAA according to a commonly applied marking scheme.

The external assessment contributes 25% to the student's result in Accounting. It is not privileged over the school-based assessment.

1.4 Reporting standards

Reporting standards are summary statements that succinctly describe typical performance at each of the five levels (A–E). They reflect the cognitive taxonomy and objectives of the course of study. The primary purpose of reporting standards is for twice-yearly reporting on student progress. These descriptors can also be used to help teachers provide formative feedback to students and to align ISMGs.

Reporting standards

A
<p>The student demonstrates a <u>thorough</u> comprehension of accounting concepts, principles and processes. There is <u>detailed</u> and thorough application of accounting principles and processes to calculate, record, process and report financial data.</p> <p>The student provides <u>insightful</u> analysis and <u>discerning</u> interpretation of financial data and information.</p> <p>The student demonstrates <u>perceptive</u> evaluation of accounting practices to make <u>justified</u> decisions and propose <u>convincing</u> recommendations to accounting contexts. Insightful synthesis is used to generate <u>explicit</u> and thorough solutions to solve accounting problems. Responses are created that communicate meaning using <u>sophisticated</u> language, with <u>concise</u> and <u>logical</u> sequencing and organisation of ideas and <u>accomplished</u> control of genre.</p>
B
<p>The student demonstrates a <u>detailed</u> comprehension of accounting concepts, principles and processes. There is <u>effective</u> application of accounting principles and processes to calculate, record, process and report financial data.</p> <p>The student provides <u>informed</u> analysis and <u>considered</u> interpretation of financial data and information.</p> <p>The student demonstrates effective evaluation of accounting practices to make informed decisions and propose <u>valid</u> recommendations to accounting contexts. Informed synthesis is used to generate <u>relevant</u> and effective solutions to solve accounting problems. Responses are created that communicate meaning using <u>purposeful</u> language, with <u>logical</u> sequencing and organisation of ideas and <u>considerable</u> control of genre.</p>
C
<p>The student demonstrates an <u>adequate</u> comprehension of accounting concepts, principles and processes. There is <u>routine</u> application of accounting principles and processes to calculate, record, process and report financial data.</p> <p>The student provides <u>appropriate</u> analysis and interpretation of financial data and information.</p> <p>The student demonstrates <u>routine</u> evaluation of accounting practices to make <u>plausible</u> decisions and propose recommendations to accounting contexts. Appropriate synthesis is used to generate <u>adequate</u> solutions to solve accounting problems. Responses are created that communicate meaning using <u>suitable</u> language, with <u>essential</u> sequencing and organisation of ideas and <u>sufficient</u> control of genre.</p>
D
<p>The student demonstrates a <u>rudimentary</u> comprehension of accounting concepts, principles and processes. There is <u>inconsistent</u> application of accounting principles and processes to calculate, record, process and report financial data.</p> <p>The student provides inconsistent analysis and <u>superficial</u> interpretation of financial data and information.</p> <p>The student demonstrates rudimentary evaluation of accounting practices with inconsistent decisions and/or <u>narrow</u> recommendations. <u>Partial</u> synthesis is used to generate narrow and inconsistent solutions to solve accounting problems. Responses are created that communicate meaning using rudimentary language, with <u>inappropriate</u> sequencing and organisation of ideas and partial control of genre.</p>
E
<p>The student demonstrates a <u>fragmented</u> comprehension of accounting concepts, principles or processes. There is <u>partial</u> application of accounting principles and processes to <u>inaccurately</u> and <u>inappropriately</u> calculate, record, process or report financial data.</p> <p>The student provides partial interpretation of financial data and information.</p> <p>The student provides inaccurate and <u>irrelevant</u> decisions or recommendations relating to accounting practices. <u>Cursor</u>y synthesis is used to generate inaccurate solutions to solve accounting problems. Responses are created that communicate meaning using fragmented language and sequencing or organisation of ideas.</p>

2 Unit 1: Real-world accounting

2.1 Unit description

In Unit 1, students consider real-world applications of accounting to develop an understanding of the role, purpose and uses of accounting. Students are introduced to accounting concepts through the analysis of financial statements for companies. Double entry accounting principles are applied to record and process cash and some basic credit transactions for sole trader service businesses. Students implement end-of-month processes to produce simple financial statements. Profitability is analysed and evaluated to inform potential investors and business owners about how the business has performed. Computerised accounting processes are introduced using a computerised accounting package to record and process transactions, and generate reports and financial statements.

Unit requirements

The learning for this unit is organised into two separate and interrelated topics. Both topics are of importance in providing students with the knowledge and skills of the unit.

The table below outlines the notional time between topics.

Topics	Notional hours
Topic 1: Accounting for a service business — cash, accounts receivable, accounts payable and no GST	35
Topic 2: End-of-month reporting for a service business — no GST	20

2.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

1. comprehend accounting concepts, principles and processes relating to accounting and end-of-month reporting for a service business
2. apply accounting principles and processes relating to accounting and end-of-month reporting for a service business
3. analyse and interpret financial data and information relating to accounting and end-of-month reporting for a service business
4. evaluate accounting practices relating to end-of-month reporting for a service business to make decisions and propose recommendations
6. create responses that communicate meaning to business owners and other stakeholders of a service business.

Note: Objective 5 is not included in this unit.

2.3 Topic 1: Accounting for a service business — cash, accounts receivable, accounts payable and no GST

2.3.1 Sub-topic 1.1: Entities and the role of accounting

Subject matter
<p>In this sub-topic, students will:</p> <ul style="list-style-type: none">• <u>describe</u><ul style="list-style-type: none">– where people invest their money– a business entity, including sole trader, partnership and company (private and public)– shareholder– elements of accounting, including assets, liabilities, owner's/share equity, revenue and expenses– financial statements including Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows– net profit and net loss– net cash from operations
<ul style="list-style-type: none">• <u>explain</u><ul style="list-style-type: none">– why people invest their money in a business– the ownership structure of a sole trader, partnership and company– how accounting information is used by investors (owners/shareholders) and other stakeholders– the role of an accountant, an auditor and the accounting profession
<ul style="list-style-type: none">• <u>analyse</u> the differences between the accounts (assets, liabilities, owner's/share equity, revenue and expenses) of a public company and a sole trader
<ul style="list-style-type: none">• analyse and <u>interpret</u> different forms of investment compared with owning and running a business
<ul style="list-style-type: none">• <u>create</u> sentence and paragraph responses that <u>communicate</u> descriptions, explanations, analyses and interpretations relating to entities to business owners and other stakeholders.

2.3.2 Sub-topic 1.2: Double entry accounting

Subject matter
<p>In this sub-topic, students will:</p> <ul style="list-style-type: none">• <u>describe</u><ul style="list-style-type: none">– a service business– sole trader– a business with cash, accounts receivable and payable (not registered for <u>GST</u>)– unlimited liability– legal entity– monetary principle– going concern principle– accounting entity concept– accounting equation– net worth– transaction analysis– double entry– source documents evidencing cash and credit transactions (including electronic documents)– accounting records including general journal, ledger (with a chart of accounts) and trial balance

Subject matter

- explain
 - why assets are assumed to be of a debit nature
 - how debits and credits are deduced for increases/decreases in the elements of the accounting equation
- explain the steps
 - in the accounting process and their relationship to each other
 - to check an unbalanced trial balance
- explain the interrelationship between
 - assets, liabilities and owner's equity in the accounting equation
 - revenue and expenses, and the accounting equation
- apply transaction analysis and the double entry accounting principles (handwritten and/or spreadsheet) to record transactions in the general journal for a service business, including
 - owner contributes capital in the form of cash
 - buying and selling assets (book value) for cash
 - selling a service for cash and on credit
 - buying supplies for cash and on credit
 - paying expenses, e.g. rent, electricity, phone/internet, petrol, etc.
 - owner withdraws cash (drawings)
 - correction of errors
- apply accounting principles and processes (handwritten and/or spreadsheet) for a service business to
 - process general journal entries to the general ledger using columnar and T format ledger accounts
 - calculate the balance of ledger accounts
 - prepare a trial balance
- apply computerised accounting processes for a service business to
 - set up a service business
 - select and edit a chart of accounts
 - enter a range of transactions (see above) using the general journal function
 - generate reports including the transaction journal, ledger and trial balance
- analyse and interpret for a service business
 - the application of accounting concepts and principles in ledger accounts
 - individual ledger accounts
 - a trial balance for any inconsistencies and errors
- create
 - sentence and paragraph responses that communicate descriptions and explanations for a service business to other stakeholders
 - sentence and paragraph responses that communicate analyses and interpretations for a service business to business owners.

2.4 Topic 2: End-of-month reporting for a service business — no GST

Subject matter

In this topic, students will:

- describe
 - accounting period concept
 - Statement of Profit or Loss
 - Statement of Financial Position
 - Statement of Cash Flows
 - end-of-month reporting
 - net profit ratio
 - return on owner's equity
- explain the relationship between
 - profit and the accounting equation
 - income and revenue
 - profit and net cash flow from operations
- explain the interrelationships between
 - assets, liabilities and owner's equity
 - expenses, revenue and profit
 - the elements of the accounting equation and the Statement of Financial Position
 - the profit or loss determined in the Statement of Profit or Loss and the owner's equity section of the Statement of Financial Position
- apply accounting principles and processes (handwritten and/or spreadsheet) for a service business to
 - calculate net profit or loss from a list of revenues and expenses
 - prepare a Statement of Profit or Loss (simple classification) from a trial balance
 - calculate capital from a list of assets and liabilities
 - prepare a Statement of Financial Position (simple classification) from a trial balance
 - prepare a Statement of Cash Flows from a cash at bank account
- apply computerised accounting processes for a service business to generate end-of-month financial statements
- analyse and interpret the similarities and differences between the various accounts that comprise assets, liabilities, owner's/share equity, revenue and expenses for a sole trader and a public company
- analyse and interpret for a service business
 - the Statement of Profit or Loss relating to monthly performance
 - the Statement of Financial Position relating to assets and liabilities
 - the return on owner's equity in comparison with alternative investments relating to net worth
- evaluate the impact of a change relating to end-of-month reporting for a service business to make decisions and propose recommendations about future performance — changes may include new staff, increases in rent costs, purchase of assets or new suppliers
- create
 - sentence and paragraph responses that communicate descriptions and explanations of accounting concepts, principles and processes relating to end-of-month reporting to business owners or other stakeholders of a service business
 - paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations to business owners or other stakeholders of a service business
 - a 1–2 page letter of advice that communicates analyses, interpretations, evaluations, decisions and recommendations about monthly profitability and performance to the business owner of a service business.

2.5 Assessment guidance

In constructing assessment instruments for Unit 1, schools should ensure that the objectives cover, or are chosen from, the unit objectives. If one assessment instrument is developed for a unit, it must assess all the unit objectives; if more than one assessment instrument is developed, the unit objectives must be covered across those instruments.

For Unit 1, suggested assessment instruments include examinations (combination response) aligned with Topic 1: Accounting for a service business — cash, accounts receivable, accounts payable and no GST and Topic 2: End-of-month reporting for a service business — no GST.

3 Unit 2: Management effectiveness

3.1 Unit description

In Unit 2, students explore how accounting information is used to effectively manage the finances for a business. The accounting process is applied to record and process transactions and accounts for a sole trader trading GST business. GST and credit transactions are introduced for purchasing inventories from accounts payable and selling inventories to accounts receivable. Accrual accounting principles and processes are applied to prepare balance day adjustments (no calculations) at the end of year to determine profit or loss and net worth in the financial statements. The use of a computerised accounting package and spreadsheet software provides students with an authentic application of processes. Students explore the implementation of internal controls in the accounting process to secure inventories and effectively manage credit accounts, and communicate their decisions and recommendations to internal users.

Unit requirements

The learning for this unit is organised into two separate and interrelated topics. Both topics are of importance in providing students with the knowledge and skills of the unit.

The table below outlines the notional time between topics.

Topics	Notional hours
Topic 1: Accounting for a trading GST business	30
Topic 2: End-of-year reporting for a trading GST business	25

3.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

1. comprehend accounting concepts, principles and processes relating to accounting and end-of-year reporting for a trading GST business
2. apply accounting principles and processes relating to accounting and end-of-year reporting for a trading GST business
3. analyse and interpret financial data and information relating to accounting and end-of-year reporting for a trading GST business
4. evaluate accounting practices relating to accounting and end-of-year reporting for a trading GST business to make decisions and propose recommendations
5. synthesise and solve accounting problems relating to accounting and end-of-year reporting for a trading GST business
6. create responses that communicate meaning to business owners and managers of a trading GST business.

3.3 Topic 1: Accounting for a trading GST business

Subject matter

In this topic, students will:

- describe
 - a trading business
 - types of accounts for a trading business, including accounts receivable, accounts payable and inventories
 - perpetual inventory system
 - inventory costing methods, including weighted average and first in first out (FIFO)
 - Goods and Services Tax (GST) and classifications for calculating GST
 - source documents evidencing credit transactions and their purpose
 - control accounts and subsidiary ledgers
 - the cash (banking), sales, purchases and inventories functions of a computerised accounting package
 - internal controls
 - internal administrative and accounting controls used by a business, including credit accounts (accounts receivable and accounts payable) and inventories
- explain
 - the difference between taxable supplies, GST-free supplies and input-taxed supplies
 - why control accounts and subsidiary ledgers are used to control accounts receivable, accounts payable and inventories
 - the impact of not implementing internal controls for credit accounts and inventories
 - the computerised accounting processes used to determine costs of goods sold and value of stock on hand
- explain the implications of
 - GST on the recording of transactions in a business
 - credit transactions on the accounting process
- explain the interrelationships between subsidiary ledgers, the general ledger and control accounts

Subject matter

- apply transaction analysis, double entry principles and accounting processes (handwritten and/or spreadsheet) for a trading GST business to
 - record transactions in the general journal incorporating GST, perpetual inventories, accounts receivable and accounts payable, including opening entries and capital contributions; purchase and sale (at book value) of assets; purchase and sale of inventories with returns, and drawings of inventories (no discounts); accounts receivable with receipts and accounts payable with payments; other revenue and expenses; and correction of errors
 - process general journal entries to the general ledger
 - report the ledger accounts in the trial balance
- apply computerised accounting processes for a trading GST business with perpetual inventories to
 - record transactions incorporating GST, accounts receivable, accounts payable and inventories
 - generate reports, including accounts receivable, accounts payable and inventory reports, and trial balance
- analyse and interpret for a trading GST business
 - the application of accounting concepts and principles in ledger accounts
 - individual ledger accounts
 - an aged accounts receivable report
 - inventory reports
 - accounting processes relating to the recording and controlling of accounts receivable, accounts payable and inventories
- evaluate proposed changes to accounting practices to make decisions and propose recommendations to improve management effectiveness for a trading GST business relating to control of accounts receivable, accounts payable and inventories
- synthesise and solve goal-oriented problems (using forward processing, handwritten and/or spreadsheet) relating to accounting for a trading GST business, e.g. the goal may be to determine the end-of-month cash at bank balance and GST
 - students are provided with a range of unstructured and/or unfamiliar financial data and information relating to the goal (e.g. tax invoices, adjustment notes, receipts, bank statement, details of business activities/transactions, etc.)
- create
 - sentence and paragraph responses that communicate descriptions and explanations to business managers and owners of a trading GST business
 - paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations to business managers and owners of a trading GST business.

3.4 Topic 2: End-of-year reporting for a trading GST business

Subject matter

In this topic, students will:

- describe
 - gross profit and net profit
 - liquidity
 - accrual accounting
 - accounting period concept
 - the end-of-year reporting process for determining profit
 - balance day adjustments and their purpose
 - closing entries
 - reversing entries
 - turnover of inventories
 - turnover of accounts receivable
- explain the relationship between
 - the going concern principle and accounting period concept
 - gross profit and net profit
 - control of inventories and the effect on profitability and liquidity
 - control of credit accounts and the effect on profitability and liquidity
 - low inventory turnover ratio and high inventory turnover ratio
 - low accounts receivable turnover ratio and high accounts receivable turnover ratio
 - the Statement of Profit or Loss and the Statement of Financial Position
- explain the effect of
 - closing and reversing entries
 - non-payment by accounts receivable
 - non-payment to accounts payable
 - a low gross profit figure
 - a net loss in the Statement of Profit or Loss
 - significant drawings by the owner
 - low inventory turnover ratio
 - low accounts receivable turnover ratio
- apply accrual accounting principles and processes (handwritten and/or spreadsheet) for a trading GST business to
 - record balance day adjustments (no calculations) for prepaid expenses, accrued expenses, unearned revenue and accrued revenue
 - record closing entries
 - prepare an adjusted trial balance
 - prepare the Statement of Profit or Loss (simple classification)
 - prepare the Statement of Financial Position (simple classification)
- apply ratio formulae (handwritten and/or spreadsheet) for a trading GST business to calculate
 - profitability ratios, including gross profit, net profit and return on owner's equity
 - liquidity ratios, including turnover of inventories and turnover of accounts receivable

Subject matter

- apply computerised accounting processes for a trading GST business to
 - record balance day adjustments
 - generate end-of-year reports and financial statements
- apply spreadsheet features and spreadsheet functions for a trading GST business to
 - prepare end-of-year financial statements (Statement of Profit or Loss and Statement of Financial Position)
 - graph gross profit and net profit
 - graph individual and total revenue and expenses
 - graph individual and total assets, liabilities and owner's equity
- analyse and interpret for a trading GST business
 - the application of accounting concepts and principles in ledger accounts
 - individual ledger accounts
- analyse and interpret financial data and information for a trading GST business relating to management effectiveness; financial data and information may include ledger accounts; the Statement of Profit or Loss with vertical analysis (extract or in full); the Statement of Financial Position with vertical analysis (extract or in full); or other information relating to accounts receivable, accounts payable and inventories
- evaluate proposed changes to accounting practices for a trading GST business to make decisions and propose recommendations regarding
 - profitability
 - liquidity
- synthesise and solve goal-oriented problems (using forward processing, handwritten and/or spreadsheet) relating to accounting for a trading GST business, e.g. the goal may be to determine the gross profit ratio and net profit ratio for the financial year
 - students may be provided with a range of unstructured financial data and information relating to the goal (e.g. a combination of general ledger extracts, a list of additional transactions, a trial balance extract, notes about a calculation error or balance day adjustments)
- create
 - sentence and paragraph responses that communicate descriptions and explanations to business managers and owners of a trading GST business
 - paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations to business managers and owners of a trading GST business
 - an extended response (e.g. a two-page business report), including the use of graphs, that communicates explanations, analyses, interpretations, evaluations, decisions and recommendations to business managers and owners of a trading GST business.

3.5 Assessment guidance

In constructing assessment instruments for Unit 2, schools should ensure that the objectives cover, or are chosen from, the unit objectives. If one assessment instrument is developed for a unit, it must assess all the unit objectives; if more than one assessment instrument is developed, the unit objectives must be covered across those instruments.

For Unit 2, suggested assessment instruments include an examination (combination response) aligned with Topic 1: Accounting for a trading GST business and a project aligned with Topic 2: End-of-year reporting for a trading GST business.

4 Unit 3: Monitoring a business

4.1 Unit description

In Unit 3, students manage the resources of a sole trader trading GST business including accounts receivable, non-current assets and technology. Double entry and accrual accounting principles are applied to record non-current assets (purchase, depreciation and disposal) and accounts receivable (bad debts and doubtful debts) in the life of the business. Fully classified financial statements are produced to report comprehensively on the performance of a sole trader trading GST business. The use of spreadsheet software provides opportunity for the authentic application of spreadsheet features and spreadsheet functions in accounting contexts. Students explore how administrative and accounting controls can be used effectively to protect and maintain the resources of a business.

Unit requirements

The learning for this unit is organised into two separate and interrelated topics. Both topics are of importance in providing students with the knowledge and skills of the unit.

The table below outlines the notional time between topics.

Topics and assessment	Notional hours
Topic 1: Managing resources for a trading GST business	23
Summative internal assessment 1: Examination — combination response	2
Topic 2: Fully classified financial statement reporting for a trading GST business	28
Summative internal assessment 2: Examination — combination response	2

4.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

Unit objective	IA1	IA2
1. <u>comprehend</u> accounting <u>concepts</u> , <u>principles</u> and <u>processes</u> relating to managing resources and fully classified financial statement reporting for a trading GST business	•	•
2. <u>apply</u> accounting principles and processes relating to managing resources for a trading GST business	•	
3. <u>analyse</u> and <u>interpret</u> financial data and information relating to managing resources and fully classified financial statement reporting for a trading GST business	•	•
4. <u>evaluate</u> accounting <u>practices</u> relating to managing resources and fully classified financial statement reporting for a trading GST business to <u>make decisions</u> and <u>propose</u> recommendations	•	•
5. <u>synthesise</u> and <u>solve</u> accounting problems relating to fully classified financial statement reporting for a trading GST business		•
6. <u>create</u> responses that <u>communicate</u> meaning to business owners of a trading GST business.	•	•

4.3 Topic 1: Managing resources for a trading GST business

Subject matter

In this topic, students will:

- describe
 - depreciation and the methods, including straight-line (prime cost) and diminishing balance (diminishing value)
 - accumulated depreciation (negative asset account)
 - historical cost principle
 - the accounting and administrative controls used to internally control non-current assets, including purchase, maintenance and sale
 - the controls used for security and privacy of technology
- explain
 - data as a vital resource
 - accounting processes to record the purchase, depreciation and disposal of non-current assets
 - the difference between capital expenditure and other expenditure
 - the importance of internally controlling non-current assets and technology
 - the role of the asset register in internally controlling non-current assets
- explain the impact of
 - cloud computing on business data and information
 - outsourcing accounting processes
 - security of business data and information
 - fraud and theft on accounting and administrative practices, both internal and external to the business
- explain the relationship between
 - historical cost principle and accumulated depreciation
 - asset and negative asset accounts (non-current assets and accumulated depreciation)
- apply accounting principles and processes (handwritten and/or spreadsheet) for a trading GST business to calculate and record
 - purchase of non-current assets, including capital expenditure and other expenditure
 - depreciation for a non-current asset using straight-line and diminishing balance methods (including annual, half-yearly and quarterly calculations)
 - disposal of a non-current asset and recognition of gain or loss on sale
- apply accounting principles and processes (handwritten and/or spreadsheet) for a trading GST business to report
 - account balances for non-current assets in the Statement of Profit or Loss and Statement of Financial Position
- apply spreadsheet features and spreadsheet functions for a trading GST business to
 - set up a spreadsheet template, including headings, labels, formatting of data (text, numbers and dates); formulae for calculations; and input and reporting areas
 - calculate for at least one non-current asset — depreciation using both depreciation methods; and historical cost, accumulated depreciation and net value of the non-current asset at the end of each period
 - graph depreciation for the life of at least one non-current asset

Subject matter

- analyse and interpret financial data and information for a trading GST business, including
 - issues with outsourcing accounting processes
 - issues with managing data
 - issues with internal controls (non-current assets and technology)
- evaluate for a trading GST business
 - control measures to secure business data and information to make decisions and propose recommendations for improvement
 - internal control practices to make decisions and propose recommendations regarding the management of resources
 - internal control practices to make decisions and propose recommendations to prevent fraud both internal and external to the business
- create
 - sentence and paragraph responses that communicate descriptions and explanations to the business managers and owners of a trading GST business
 - paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations to business managers and owners of a trading GST business
 - a business report that communicates explanations, analyses, interpretations, evaluations, decisions and recommendations to the business managers of a trading GST business.

4.4 Topic 2: Fully classified financial statement reporting for a trading GST business

Subject matter

In this topic, students will:

- describe
 - general purpose financial statements
 - the classifications used in the fully classified Statement of Profit or Loss and the Statement of Financial Position
 - comparative financial statements
 - accounting concepts (accounting period and accounting entity) and principles (monetary, going concern and historical cost) that underpin the preparation of financial statements
 - balance day adjustments and their purpose
 - bad debts
 - provision for doubtful debts (negative asset account)
 - profitability ratios, including gross profit ratio, net profit ratio, return on owner's equity and return on total assets
 - liquidity ratios, including current ratio, quick ratio, turnover of accounts receivable and turnover of inventories
- explain
 - the limitations of the Statement of Profit or Loss and the Statement of Financial Position
 - the qualitative characteristics (relevance (including materiality), reliability, comparability and understandability) of financial information that guide the preparation of general purpose financial statements
- explain the relationship between
 - asset and negative asset accounts (accounts receivable and provision for doubtful debts)
 - the Statement of Profit or Loss and the Statement of Financial Position
- analyse and interpret for a trading GST business
 - the Statement of Profit or Loss with horizontal and ratio analysis relating to performance
 - the Statement of Financial Position with horizontal and ratio analysis relating to performance
 - the return on owner's equity in comparison with alternative investments relating to net worth
- evaluate for a trading GST business
 - the effectiveness of accounting practices to make decisions and propose recommendations regarding monitoring business performance
 - the effectiveness of accounting practices to make decisions and propose recommendations regarding liquidity

Subject matter

- synthesise and solve goal-oriented problems (using backward processing and forward processing) relating to fully classified financial statement reporting for a trading GST business, e.g. the goal may be to report the profitability and net worth of the business
 - students may be provided with a goal-oriented problem requiring a combination of principles and processes including the
 - recording of balance day adjustments with simple calculations for prepaid expenses, accrued expenses, unearned revenue and accrued revenue; bad debts written off and bad debts recovered; interest on overdue accounts; provision for doubtful debts; depreciation (straight-line and diminishing balance methods); and inventories (write off and lower of cost or net realisable value)
 - preparing of an adjusted trial balance
 - reporting of a fully classified Statement of Profit or Loss and Statement of Financial Position (with or without working capital) from an adjusted trial balance
 - calculating of profitability and liquidity ratios
 - students may be provided with a combination of unstructured and unfamiliar financial data and information relating to the financial statements (e.g. a combination of extracts of financial statements, trial balance, general journal or ledger information containing conceptual errors, clerical errors and consequential errors)
- create
 - sentence responses that communicate descriptions and explanations to the business manager or owners of a trading GST business
 - paragraph or extended responses that communicate analyses, interpretations, evaluations, decisions and recommendations to the business manager or owners of a trading GST business.

4.5 Assessment

4.5.1 Summative internal assessment 1 (IA1): Examination — combination response (25%)

Description

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 objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend accounting concepts, principles and/or processes relating to managing resources for a trading GST business
2. apply accounting principles and processes relating to managing resources for a trading GST business to calculate, record and report the purchase, depreciation and disposal of non-current assets
3. analyse and interpret financial data and information relating to managing resources for a trading GST business
4. evaluate accounting practices relating to managing resources for a trading GST business to make decisions and propose recommendations
6. create a business report (extract) that communicates meaning to the business owner of a trading GST business.

Note: Objective 5 is not assessed in this instrument.

Specifications

This examination will include a combination of short-response and extended-response items relating to Unit 3 Topic 1: Managing resources for a trading GST business.

The examination is divided into three parts.

Part A — short items

Students respond to two short items preparing paragraph responses to demonstrate comprehension of concepts, principles and/or processes relating to managing resources.

Part B — practical items

Students respond to two practical items requiring the application of accounting principles and processes for a sole trader trading GST business.

Item 1

Students will be required to:

- calculate depreciation using the diminishing balance depreciation method
- record transactions, including closing entries in the general ledger
- report accounts relating to the purchase and depreciation of non-current assets for two consecutive financial years.

Item 1 includes:

- the purchase of two non-current assets in consecutive financial years
- capital expenditure and other expenditure
- diminishing balance depreciation method
- yearly and half-yearly or quarterly calculations of depreciation
- the preparation of ledger accounts, including non-current asset, accumulated depreciation on non-current asset, depreciation on non-current asset and non-current asset expense
- the preparation of two Statement of Financial Position (extracts) for two consecutive financial years.

Item 2

Students will be required to:

- calculate depreciation using the straight-line depreciation method
- record transactions in the general ledger
- report accounts relating to the disposal of a non-current asset for one financial year.

Item 2 includes:

- the current balances for a non-current asset and an accumulated depreciation on non-current asset
- the disposal of the non-current asset
- straight-line depreciation method
- half-yearly or quarterly calculation of depreciation
- the preparation of the disposal ledger account
- the preparation of a Statement of Profit or Loss (extract).

Part C — extended-response item

Students respond to one extended-response item that requires sustained analysis, interpretation and evaluation to answer one question.

Students are provided with unseen stimulus relating to the control of resources for a sole trader trading GST business.

The extended response is in the form of a business report (extract) and will include:

- analysis and interpretation of financial data and information relating to the current accounting practices used by the sole trader trading GST business to manage resources (non-current assets and/or technology)
- evaluation of accounting practices in order to make decisions and propose recommendations for proposed changes to improve the management of resources.

Stimulus — unseen

- Stimulus must not be copied from information or texts that students have directly used in class.
- Stimulus must provide:
 - contextualised financial data and information relating to the control of resources for a sole trader trading GST business
 - financial data and information with varying levels of significance and relevance to the accounting context and question.
- Stimulus may include:
 - a range of financial data relating to the recording and reporting of resources
 - a range of information relating to the current processes and practices implemented and presented in authentic formats.

Conditions

- Time:
 - 2 hours + 15 minutes planning time
 - the examination is completed in one sitting.
- Length:
 - short items — paragraph responses 50–100 words each item
 - practical items — should allow students to complete the response in the set time
 - extended-response item — business report (extract) 400–500 words.
- Other:
 - unseen stimulus
 - templates
 - teachers may include templates for students to complete their responses
 - templates may include document headings, column headings, column formatting, account names and lines
 - templates may not include formulae
 - technology may be used to produce some or all responses, including

- word processing software to produce responses to Parts A and C
 - spreadsheet software to produce a response to Part B
 - a computerised accounting package may not be used to produce responses for this examination
- non-programmable calculator permitted.

Summary of the instrument-specific marking guide

The following table summarises the criteria, assessment objectives and mark allocation for the Examination — combination response.

Criterion	Objectives	Marks
Comprehending (Part A)	1	5
Applying (Part B)	2	7
Analysing (Part C)	3	6
Evaluating (Part C)	4	4
Communicating (Part C)	6	3
Total		25

Instrument-specific marking guide

Part A

Criterion: Comprehending

Assessment objective

1. comprehend accounting concepts, principles and/or processes relating to managing resources for a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • identification of <u>significant</u> characteristics in the response • <u>thorough</u> understanding of accounting concepts, principles and/or processes • <u>perceptive</u> use of accounting terminology. 	4–5
<ul style="list-style-type: none"> • identification of <u>appropriate</u> characteristics in the response • <u>adequate</u> understanding of accounting concepts, principles and/or processes • adequate use of accounting terminology. 	2–3
<ul style="list-style-type: none"> • identification of <u>inappropriate</u> characteristics in the response • <u>vague</u> or <u>partial</u> understanding of accounting concepts, principles and/or processes • <u>inconsistent</u> and/or <u>narrow</u> use of accounting terminology. 	1
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Part B

Criterion: Applying

Assessment objective

2. apply accounting principles and processes relating to managing resources for a trading GST business to calculate, record and report the purchase, depreciation and disposal of non-current assets

Item 1

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>effective</u> application of accounting principles and diminishing balance method to <u>calculate</u> the purchase of non-current assets and depreciation for part and full year periods• effective application of double entry to record and process transactions for the purchase and depreciation of non-current assets in the general ledger• effective application of accounting processes to report non-current assets in the Statement of Financial Position (extracts) for two consecutive financial years.	3–4
<ul style="list-style-type: none">• application of accounting principles and diminishing balance method to calculate the purchase of non-current assets and depreciation• application of double entry to record and process transactions for the purchase and depreciation of non-current assets in the general ledger• application of accounting processes to report non-current assets in the Statement of Financial Position (extracts) for two consecutive financial years.	2
<ul style="list-style-type: none">• <u>inconsistent</u> application of accounting principles and diminishing balance method to calculate the purchase of non-current assets and depreciation• inconsistent or <u>partial</u> application of double entry to record and process aspects of transactions for the purchase and depreciation of non-current assets in the general ledger• inconsistent or partial application of accounting processes to report non-current assets in the Statement of Financial Position (extracts).	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Item 2

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>effective</u> application of accounting principles and straight-line depreciation method to <u>calculate</u> disposal of non-current assets, including historical cost, depreciation for a part year, accumulated depreciation and gain or loss on disposal • effective application of double entry to record and process transactions for the disposal of a non-current asset in the general ledger • effective application of accounting processes to report disposal data and information in the Statement of Profit or Loss (extract). 	3
<ul style="list-style-type: none"> • application of accounting principles and straight-line depreciation method to calculate disposal of non-current assets • application of double entry to record and process transactions for the disposal of a non-current asset in the general ledger • application of accounting processes to report disposal data and information in the Statement of Profit or Loss (extract). 	2
<ul style="list-style-type: none"> • <u>inconsistent</u> application of accounting principles or straight-line depreciation method to calculate the disposal of non-current assets • inconsistent or <u>partial</u> application of double entry to record and process aspects of transactions for the disposal of a non-current asset in the general ledger • inconsistent or partial application of accounting processes to report the disposal in the Statement of Profit or Loss (extract). 	1
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Part C

Criterion: Analysing

Assessment objective

3. analyse and interpret financial data and information relating to managing resources for a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • examines financial data and information through the identification of <u>significant</u> and <u>relevant</u> relationships • <u>thorough</u> interpretation of trends in the financial data and information • thorough and <u>logical</u> explanation of issues with the management of resources. 	5–6
<ul style="list-style-type: none"> • examines financial data and information through the identification of relationships • interpretation of trends in the financial data and information • explanation of issues with the management of resources. 	3–4
<ul style="list-style-type: none"> • examines financial data or information through the identification of <u>superficial</u> relationships • superficial interpretation of financial data or information • <u>narrow</u> or <u>partial</u> statements of issues. 	1–2
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Evaluating

Assessment objective

4. evaluate accounting practices relating to managing resources for a trading GST business to make decisions and propose recommendations

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>perceptive</u> judgments for proposed changes to accounting practices relating to managing resources• <u>thoroughly justified</u> decisions for managing resources relevant to the accounting context• <u>convincing</u> recommendations for managing resources pertinent to the accounting context.	3–4
<ul style="list-style-type: none">• judgments for proposed changes to accounting practices relating to managing resources• decisions for managing resources relevant to the accounting context• recommendations for managing resources relevant to the accounting context.	2
<ul style="list-style-type: none">• <u>rudimentary</u> or <u>partial</u> statements for proposed changes to accounting practices relating to managing resources• <u>inconsistent</u> or partial decisions for the accounting context• inconsistent or partial recommendations for the accounting context.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Communicating

Assessment objective

6. create a business report (extract) that communicates meaning to the business owner of a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>succinct</u>, with <u>effective</u> language choices to communicate analysis, interpretation and evaluation to the business owner• <u>logical</u> sequencing and organisation of ideas in a business report (extract)• <u>minimal</u> errors in spelling, grammar and punctuation.	3
<ul style="list-style-type: none">• <u>appropriate</u> language choices to communicate analysis, interpretation and evaluation to the business owner• <u>clear</u> sequencing and organisation of ideas in a business report (extract)• <u>some</u> errors in spelling, grammar and punctuation.	2
<ul style="list-style-type: none">• <u>inappropriate</u> language choices to communicate business data, information or advice• <u>unclear</u> or <u>fragmented</u> sequencing of ideas in a business report (extract)• <u>frequent</u> errors in spelling, grammar and punctuation.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

4.5.2 Summative internal assessment 2 (IA2): Examination — combination response (25%)

Description

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 objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend accounting concepts, principles and/or processes relating to fully classified financial statement reporting for a trading GST business
3. analyse and interpret financial data and information relating to fully classified financial statement reporting for a trading GST business
4. evaluate accounting practices relating to fully classified financial statement reporting for a trading GST business to make decisions and propose recommendations
5. synthesise and solve an accounting problem relating to fully classified financial statement reporting for a trading GST business
6. create a business report (extract) that communicates meaning to the business owner of a trading GST business.

Note: Objective 2 is not assessed in this instrument.

Specifications

This examination includes a combination of short-response and extended-response items relating to Unit 3 Topic 2: Fully classified financial statement reporting for a trading GST business.

The examination is divided into three parts.

Part A — short items

Students respond to two short items preparing paragraph responses that demonstrate comprehension of concepts, principles and/or processes in the context of fully classified financial statement reporting for a trading GST business.

Part B — practical item

Students respond to one practical item to synthesise and solve a goal-oriented problem relating to fully classified financial statement reporting for a sole trader trading GST business.

Students are provided with unseen stimulus relating to fully classified financial statement reporting for a sole trader trading GST business.

Students will be required to use:

- backward processing to identify the errors
- forward processing to produce a solution.

Stimulus — unseen

- Stimulus contains financial data and information consisting of:
 - a total of seven conceptual errors relating to financial statements
 - prepayments and/or accruals
 - bad debts, provision for doubtful debts, depreciation and inventories.
- Sources of financial data and information may include a combination of:
 - extracts of financial statements
 - a list of account balances
 - a general journal (extract)
 - a general ledger (extract)
 - any additional financial data and information related to the goal-oriented problem.
- Stimulus must not be copied from information or texts that students have previously been exposed to.

Part C — extended-response item

Students respond to one extended-response item that requires sustained analysis, interpretation and evaluation to answer one question.

Students are provided with seen stimulus relating to fully classified financial statement reporting for a sole trader trading GST business.

The extended response is in the form of a business report (extract) and will include:

- analysis and interpretation of financial data and information focusing on one area of performance (profitability or liquidity)
- evaluation of accounting practices in order to make decisions and propose recommendations for proposed changes to improve one area of performance.

Students must not be provided with the area of performance to be analysed and interpreted prior to the examination.

Stimulus — seen

The stimulus:

- provides a context
- provides financial data and information that
 - relates to fully classified financial statements
 - includes a range of ratios from both areas of performance (profitability and liquidity) relating to both financial periods, and their industry averages (where applicable)
 - allows for analysis, interpretation and evaluation across both areas of performance
- must be provided five days prior to the administration of the examination
- is not processed, unpacked or explained to students.

The original student copy of the seen stimulus is not to be brought into the examination.

Conditions

- Time: 2 hours plus 15 minutes planning time
 - the examination is completed in one sitting.
- Length:
 - short items — paragraph responses 50–100 words each item
 - practical item — problem-solving requiring backward processing and forward processing; should allow students to complete the response in the set time
 - extended-response item — business report (extract) 400–500 words.
- Other:
 - templates for students to complete their responses that:
 - may include document headings, column headings, column formatting and lines
 - may not include formulae
 - technology may be used to produce some or all responses, including
 - word processing software to produce responses to Parts A and C
 - spreadsheet software to produce a response to Part B

- a computerised accounting package may not be used to produce responses for this examination
- non-programmable calculator permitted.

Summary of the instrument-specific marking guide

The following table summarises the criteria, assessment objectives and mark allocation for the Examination — combination response.

Criterion	Objectives	Marks
Comprehending (Part A)	1	5
Synthesising and solving (Part B)	5	7
Analysing (Part C)	3	6
Evaluating (Part C)	4	4
Communicating (Part C)	6	3
Total		25

Instrument-specific marking guide

Part A

Criterion: Comprehending

Assessment objective

1. comprehend accounting concepts, principles and/or processes relating to fully classified financial statement reporting for a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• identification of <u>significant</u> characteristics in the response• <u>thorough</u> understanding of accounting concepts, principles and/or processes• <u>perceptive</u> use of accounting terminology.	4–5
<ul style="list-style-type: none">• identification of <u>appropriate</u> characteristics in the response• <u>adequate</u> understanding of accounting concepts, principles and/or processes• adequate use of accounting terminology.	2–3
<ul style="list-style-type: none">• identification of <u>inappropriate</u> characteristics in the response• <u>vague</u> or <u>partial</u> understanding of accounting concepts, principles and/or processes• <u>inconsistent</u> and/or <u>narrow</u> use of accounting terminology.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Part B

Criterion: Synthesising and solving

Assessment objective

5. synthesise and solve an accounting problem relating to fully classified financial statement reporting for a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>effective</u> application of <u>significant</u> and <u>relevant</u> accounting principles and processes to identify errors relating to fully classified financial statement reporting for a trading GST business• effective application of accounting principles and processes to correct the errors• solution produced that <u>thoroughly</u> solves the problem.	6–7
<ul style="list-style-type: none">• <u>appropriate</u> application of relevant accounting principles and processes to identify substantial errors relating to fully classified financial statement reporting for a trading GST business• appropriate application of accounting principles and processes to correct the errors• solution produced that <u>effectively</u> solves the problem.	4–5
<ul style="list-style-type: none">• <u>fundamental</u> application of accounting principles and processes to identify <u>minimal</u> errors relating to fully classified financial statement reporting for a trading GST business• application of fundamental accounting principles and processes to correct minimal errors• solution produced that solves elements of the problem.	2–3
<ul style="list-style-type: none">• <u>inconsistent</u> application of accounting principles and processes to identify <u>superficial</u> errors• <u>rudimentary</u> application of accounting principles and processes to correct aspects of the errors• <u>inappropriate</u> or <u>partial</u> solution produced.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Part C

Criterion: Analysing

Assessment objective

3. analyse and interpret financial data and information relating to fully classified financial statement reporting for a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• examines financial data and information through the identification of <u>significant</u> and <u>relevant</u> relationships• <u>thorough</u> interpretation of trends in the financial data and information• thorough and <u>logical</u> explanation of issues for one area of performance.	5–6
<ul style="list-style-type: none">• examines financial data and information through the identification of relationships• interpretation of trends in the financial data and information• explanation of issues for one area of performance.	3–4
<ul style="list-style-type: none">• examines financial data or information through the identification of <u>superficial</u> relationships• superficial interpretation of financial data or information• <u>narrow</u> or <u>partial</u> statements about the issues.	1–2
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Evaluating

Assessment objective

4. evaluate accounting practices relating to fully classified financial statements reporting for a trading GST business to make decisions and propose recommendations

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>perceptive</u> judgments for proposed changes to accounting practices relating to one area of performance• <u>thoroughly justified</u> decisions for the area of performance relevant to the accounting context• <u>convincing</u> recommendations for the area of performance pertinent to the accounting context.	3–4
<ul style="list-style-type: none">• judgments for proposed changes to accounting practices relating to one area of performance• decisions for the area of performance relevant to the accounting context• recommendations for the area of performance suitable for the accounting context.	2
<ul style="list-style-type: none">• <u>rudimentary</u> or <u>partial</u> judgments for proposed changes to accounting practices relating to one area of performance• <u>inconsistent</u> or partial decisions for the accounting context• inconsistent or partial recommendations for the accounting context.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

Criterion: Communicating

Assessment objective

6. create a business report (extract) that communicates meaning to the business owner of a trading GST business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>succinct</u>, with <u>effective</u> language choices to communicate analysis, interpretation and evaluation to the business owner• <u>logical</u> sequencing and organisation of ideas in a business report (extract)• <u>minimal</u> errors in spelling, grammar and punctuation.	3
<ul style="list-style-type: none">• <u>appropriate</u> language choices to communicate analysis, interpretation and evaluation to the business owner• <u>clear</u> sequencing and organisation of ideas in a business report (extract)• <u>some</u> errors in spelling, grammar and punctuation evident.	2
<ul style="list-style-type: none">• <u>inappropriate</u> language choices to communicate business data, information or advice• <u>unclear</u> or <u>fragmented</u> sequencing of ideas in a business report (extract)• <u>frequent</u> errors in spelling, grammar and punctuation.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

5 Unit 4: Accounting — the big picture

5.1 Unit description

In Unit 4, students connect the relationship between the financial statements (reporting on past performance) and the cash budget (projecting for the future) and their importance in the financial management of a business. This unit brings together the complete process of preparing the financial statements for a sole trader trading GST business, the preparation of the cash budget using a spreadsheet, and an analysis of the financial statements (Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows). Ratios are calculated and questions are asked about the various elements that make up these financial statements in order to make decisions about the business. Making links to Unit 1, students examine external financial statements, calculate a range of ratios and compare these ratios with past performance and industry benchmarks in order to determine how a public company is performing and make decisions for stakeholders about the results.

Unit requirements

The learning for this unit is organised into three separate and interrelated topics. All topics are of importance in providing students with the knowledge and skills of the unit.

The table below outlines the notional hours between topics.

Topics and assessment	Notional hours
Topic 1: Cash management	18
Summative internal assessment 3: Project — cash management	7
Topic 2: Complete accounting process for a trading GST business	10
Topic 3: Performance analysis of a public company	18
Summative external assessment: Examination — short response	2

5.2 Unit objectives

Unit objectives are drawn from the syllabus objectives and are contextualised for the subject matter and requirements of the unit. Each unit objective must be assessed at least once.

Students will:

Unit objective	IA3	EA
1. <u>comprehend</u> accounting <u>concepts</u> , <u>principles</u> and <u>processes</u> relating to the complete accounting process for a trading GST business and performance analysis of a public company		•
2. <u>apply</u> accounting principles and processes for a trading <u>GST</u> business and a public company	•	•
3. <u>analyse</u> and <u>interpret</u> financial data and information relating to cash management and the performance of a public company	•	•
4. <u>evaluate</u> accounting <u>practices</u> relating to cash management and the performance of a public company to <u>make decisions</u> and <u>propose</u> recommendations	•	•
5. <u>synthesise</u> and <u>solve</u> accounting problems relating to cash management and the complete accounting process for a trading GST business	•	•
6. <u>create</u> responses that <u>communicate</u> meaning to the business manager or owner of a business.	•	

5.3 Topic 1: Cash management

Subject matter
In this topic, students will:
<ul style="list-style-type: none"> • <u>apply</u> accounting <u>principles</u> and <u>processes</u> (handwritten and/or <u>spreadsheet</u>) to prepare a bank reconciliation statement
<ul style="list-style-type: none"> • apply accounting principles and processes (handwritten and/or spreadsheet) to prepare a cash budget including <ul style="list-style-type: none"> – statement of estimated receipts from accounts receivable – statement of <u>GST</u> payable and receivable
<ul style="list-style-type: none"> • apply <u>spreadsheet features</u> and <u>spreadsheet functions</u> to prepare a cash budget including <ul style="list-style-type: none"> – input and report areas – what-if analysis
<ul style="list-style-type: none"> • apply <u>computerised accounting processes</u>* for a trading <u>GST</u> business to <ul style="list-style-type: none"> – record transactions, including opening entry; purchase of non-current assets; purchase and sale of inventories with returns; accounts receivable with receipts and accounts payable with payments; other revenues and expenses; obtaining finance; drawings of cash and inventories, perpetual inventories, no discounts; and correction of errors – carry out a bank reconciliation – record balance day adjustments – <u>generate</u> end-of-period reports and financial statements – <u>implement</u> end-of-year <u>processes</u> to ready accounts for a new financial year – record or process reversing entries

Subject matter

- analyse and interpret for a trading GST business
 - the similarities and differences between a cash budget and a Statement of Cash Flows
 - cash and accounts receivable data and information relating to the management of cash resources
 - a cash budget relating to the future liquidity of the business
- evaluate for a trading GST business to make decisions and propose recommendations, relating to
 - the effectiveness of internal control practices regarding cash management
 - alternative projects and their impact on cash resources
 - alternative proposed changes to accounting practices impacting the cash budget
- synthesise and solve goal-oriented problems relating to cash management for a trading GST business, e.g. the goal is to determine the optimum cash budget
 - students may be provided with a combination of unstructured and unfamiliar financial data and information relating to cash management (e.g. an incomplete budget or an existing budget with negative bank balances, information about the business and its activities, schedules of accounts receivable and payable, bank statement)
- create
 - sentence and paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations relating to cash management to business managers or owners of a trading GST business
 - a business report that communicates analyses, interpretations, evaluations, decisions and recommendations relating to cash management to business managers or owners of a trading GST business.

* **Note:** Some computerised accounting processes may not be applicable for the computerised accounting package facilitating the delivery of the subject matter. Teachers should adjust processes accordingly.

5.4 Topic 2: Complete accounting process for a trading GST business

Subject matter

In this topic, students will:

- describe
 - balance day adjustments
 - correction of errors
 - inventory adjustments and reasons for inventory adjustments
 - closing and reversing entries
- explain the steps in the complete accounting process
- explain the relationship between
 - balance day adjustments and reversing entries in accrual accounting
 - net profit based on accrual accounting and net cash from operating activities
- apply accounting principles and processes (handwritten and/or spreadsheet) for a trading GST business to
 - record transactions in the general journal and general ledger, including an opening entry; purchase and sale of non-current assets; purchase and sale of inventories with returns; accounts receivable with receipts and accounts payable with payments; other revenues and expenses; obtaining finance; drawings of cash and inventories; perpetual inventories with cost of goods sold given; no control account/subsidiary ledgers; no discounts; and correction of errors
 - calculate and record transactions including balance day adjustments for prepaid expenses, accrued expenses, unearned revenue and accrued revenue; depreciation (straight-line and diminishing balance methods); provision for doubtful debts; and inventory adjustments for discrepancies with consideration of lower of cost or net realisable value
 - record reversing entries
- apply accounting principles and processes (handwritten and/or spreadsheet) for a trading GST business to prepare a fully classified Statement of Profit or Loss and Statement of Financial Position
- synthesise and solve goal-oriented problems relating to the complete accounting process for a trading GST business, e.g. the business is converting from cash records to accrual accounting and needs the financial statements generated
 - students may be provided with a combination of unstructured and unfamiliar financial data and information relating to the cash records.

5.5 Topic 3: Performance analysis of a public company

Subject matter

In this topic, students will:

- describe
 - types of ratios, including profitability, liquidity and stability
 - types of analysis, including ratio, vertical, horizontal and trend
 - industry benchmarks
- explain
 - the differences between accounting for a sole trader and accounting for a public company
 - the ratios used to measure profitability, liquidity and stability, and the extra specific ratios only applicable to companies
 - profitability ratios, including gross profit ratio, net profit ratio, return on owner's equity and return on total assets
 - liquidity ratios, including current ratio, quick ratio, turnover of accounts receivable and turnover of inventories
 - stability ratios, including equity ratio, debt ratio and times interest earned
 - extra specific ratios for companies, including earnings per share, price earnings ratio and dividend yield
 - the factors that complicate the comparison of financial statements over a period of time
 - the benefits of using vertical, horizontal, trend and ratio analysis
- explain
 - how the results obtained from ratio analysis will be useful for internal and external stakeholders
 - how benchmarking within an industry can be used when analysing and interpreting performance
- explain the interrelationships between a fully classified Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows
- apply accounting principles and processes to calculate the following ratios (formulae given)
 - profitability ratios (see above)
 - liquidity ratios (see above)
 - stability ratios (see above)
 - extra specific ratios for companies (see above)
- analyse and interpret for a public company
 - the Statement of Profit or Loss using horizontal, vertical, ratio and trend analysis relating to profitability
 - the Statement of Financial Position using horizontal, vertical, ratio and trend analysis relating to profitability, liquidity and stability
 - the Statement of Cash Flows using trend analysis relating to stability and liquidity
- evaluate for a public company
 - the performance against industry benchmarks to make decisions and propose recommendations regarding the future operations and direction of the business
 - proposed changes to accounting practices to make decisions and propose recommendations regarding the future operations and direction of the business

5.6 Assessment

5.6.1 Summative internal assessment 3 (IA3): Project — cash management (25%)

Description

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 objectives

This assessment technique is used to determine student achievement in the following objectives:

2. apply accounting principles and processes for a trading GST business to calculate, record, process and report accounts
3. analyse and interpret financial data and information relating to cash management
4. evaluate accounting practices relating to cash management to make decisions and propose recommendations
5. synthesise and solve accounting problems relating to cash management
6. create a business report that communicates meaning to the business manager of a business.

Note: Objective 1 is not assessed in this instrument.

Specifications

The cash management project focuses on a real-life accounting context for a trading GST business relating to Unit 4 Topic 1: Cash management. Financial data and information for the real-life accounting context is presented as a goal-oriented problem.

The problem-solving model (see Section 1.2.4) is used as a tool to develop a solution to achieve an accounting goal for the trading GST business.

In developing a solution, students will use technology (computerised accounting package, spreadsheet software and word processing software) to generate practical and written responses.

In response to the desired goal, students prepare:

- practical responses
 - financial documents using a computerised accounting package
 - cash budgets including input areas, statements of estimated receipts from accounts receivable and statements of GST payable and receivable, using spreadsheet software
- an extended response — business report to the business manager.

The business report will require students to:

- analyse the financial data and information relating to the goal
- interpret the financial data and information relating to the goal
- evaluate the proposed alternative solutions to achieve the goal

- decide on a solution and propose recommendations to achieve the goal.

The business report provides information to the business manager. It is divided into sections using headings.

Stimulus

Stimulus will include:

- a novel business context including a wide range of financial data and information relating to Unit 4 Topic 1: Cash management
- a goal relating to cash management and the accounting context, indicating what the business is trying to achieve, for example,
 - expanding the business
 - moving to new premises
 - implementing a new project, e.g. outsourcing, etc.
 - purchasing a major non-current asset
- a range of financial data and information relating to at least three months, which will allow for multiple solutions and enable the effective application of the problem-solving model
- financial data and information to calculate, record, process and report accounts using a computerised accounting package (forward processing) including
 - electronic files, e.g. pre-set up MYOB accounts with transactions for two months (July–August)
 - transactions for one month (not at the end of the financial year), e.g. September
 - calculations for transactions
 - additional information to complete the bank reconciliation process, e.g. bank interest, dividends, bank charges, etc.
- financial data and information to produce a solution in response to the accounting goal using spreadsheet software (forward and/or backward processing) including
 - projected data relating to revenues and expenses, e.g. advertising, delivery vehicle expenses, etc.
 - details of accounting practices involving the management of cash, e.g. collection rates for accounts receivable.

Stimulus may include any additional financial data and information related to the goal-oriented problem.

Conditions

- Duration: 4 weeks including 7 hours class time.
- Length:
 - practical accounting solutions, including
 - solutions generated from computerised accounting package
 - solutions generated using spreadsheet software
 - business report, 800–1000 words, excluding the title page and appendices.

- Scaffolding:
 - students must have the opportunity to implement the problem-solving model
 - cannot include
 - templates (electronic or hard copies)
 - steps or tasks to complete to achieve the goal.
- Authentication strategies as implemented by the school.
- Other:
 - technology is used to produce responses, including
 - word processing software to prepare and present the business report
 - computerised accounting package and spreadsheet software to prepare and present practical accounting solutions.

Summary of the instrument-specific marking guide

The following table summarises the internal assessment guide for marking the Project — cash management.

Criterion	Objectives	Marks
Applying (practical response)	2	4
Synthesising and solving (practical response)	5	8
Analysing (extended response)	3	6
Evaluating (extended response)	4	4
Communicating (extended response)	6	3
Total		25

Instrument-specific marking guide

Criterion: Applying

Assessment objective

2. apply accounting principles and processes for a trading GST business to calculate, record, process and report accounts

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • <u>effective</u> application of accounting principles to calculate amounts for transactions • effective application of computerised accounting processes to record and process transactions • generation of <u>required</u> financial documents. 	3–4
<ul style="list-style-type: none"> • application of accounting principles to calculate amounts for transactions • application of computerised accounting processes to record and process transactions • generation of financial documents. 	2
<ul style="list-style-type: none"> • <u>inconsistent</u> application of accounting principles to calculate amounts for transactions • inconsistent or <u>partial</u> application of computerised accounting processes to record and process aspects of transactions • generation of <u>inappropriate</u> financial documents. 	1
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Synthesising and solving

Assessment objective

5. synthesise and solve accounting problems relating to cash management

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"> • identification of <u>significant</u> and <u>relevant</u> financial data and information to complete an input area • <u>effective</u> application of accounting principles and processes to achieve a goal through the generation of financial documents • solution produced that <u>thoroughly</u> solves the problem. 	7–8
<ul style="list-style-type: none"> • identification of relevant financial data and information to complete an input area • <u>appropriate</u> application of accounting principles and processes to achieve a goal through the generation of financial documents • solution produced that <u>effectively</u> solves the problem. 	5–6
<ul style="list-style-type: none"> • identification of <u>fundamental</u> financial data and information to complete an input area • fundamental application of accounting principles and processes to achieve aspects of a goal through the generation of financial documents • solution produced that solves elements of the problem. 	3–4
<ul style="list-style-type: none"> • identification of <u>narrow</u> or <u>inappropriate</u> financial data and information • <u>rudimentary</u> application of accounting principles or processes through the generation of financial documents • inappropriate or <u>partial</u> solution produced. 	1–2
<ul style="list-style-type: none"> • does not satisfy any of the descriptors above. 	0

Criterion: Analysing

Assessment objective

3. analyse and interpret financial data and information relating to cash management

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">examines financial data and information through the identification of <u>significant</u> and <u>relevant</u> relationships<u>thorough</u> interpretation of trends in the financial data and informationthorough and <u>logical</u> explanation of issues relating to cash management.	5–6
<ul style="list-style-type: none">examines financial data and information through the identification of relationshipsinterpretation of trends in the financial data and informationexplanation of issues relating to cash management.	3–4
<ul style="list-style-type: none">examines financial data or information through the identification of <u>superficial</u> relationshipssuperficial interpretation of financial data or information<u>narrow</u> or <u>partial</u> statements of issues.	1–2
<ul style="list-style-type: none">does not satisfy any of the descriptors above.	0

Criterion: Evaluating

Assessment objective

4. evaluate accounting practices relating to cash management to make decisions and propose recommendations

The student work has the following characteristics:	Marks
<ul style="list-style-type: none"><u>perceptive</u> judgments for proposed alternatives or changes relating to cash management<u>thoroughly justified</u> decisions for cash management pertinent to the accounting context<u>convincing</u> recommendations for cash management pertinent to the accounting context.	3–4
<ul style="list-style-type: none">judgments for proposed alternatives or changes relating to cash managementdecisions for cash management for the accounting contextrecommendations for cash management suitable for the accounting context.	2
<ul style="list-style-type: none"><u>rudimentary</u> or <u>partial</u> statements for a proposed alternative or change<u>inconsistent</u> or partial decisionsinconsistent or partial recommendations.	1
<ul style="list-style-type: none">does not satisfy any of the descriptors above.	0

Criterion: Communicating

Assessment objective

6. create a business report that communicates meaning to the business manager of a business

The student work has the following characteristics:	Marks
<ul style="list-style-type: none">• <u>succinct</u>, with analysis, interpretation and evaluation related to the goal conveyed <u>logically</u>• features of the report genre are <u>consistently</u> demonstrated• <u>minimal</u> errors in spelling, grammar and punctuation.	3
<ul style="list-style-type: none">• conveys analysis, interpretation and evaluation related to the goal• features of the report genre are demonstrated• <u>some</u> errors in spelling, grammar and punctuation.	2
<ul style="list-style-type: none">• conveys analysis, interpretation and evaluation related to aspects of the goal• features of the report genre are <u>inconsistently</u> demonstrated• <u>frequent</u> errors in spelling, grammar and punctuation.	1
<ul style="list-style-type: none">• does not satisfy any of the descriptors above.	0

5.6.2 Summative external assessment (EA): Examination — short response (25%)

General information

Summative external assessment is developed and marked by the QCAA. In Accounting it contributes 25% to a student's overall subject result.

The external assessment in Accounting is common to all schools and administered under the same conditions, at the same time, on the same day.

Description

The 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 objectives

This assessment technique is used to determine student achievement in the following objectives:

1. comprehend accounting concepts, principles and processes relating to the complete accounting process for a trading GST business and performance analysis of a public company
2. apply accounting principles and processes for a trading GST business and a public company
3. analyse and interpret financial data and information relating to the performance of a public company
4. evaluate accounting practices relating to the performance of a public company to make decisions and propose recommendations
5. synthesise and solve accounting problems relating to the complete accounting process for a trading GST business.

Note: Objective 6 is not assessed in this instrument.

Specifications

The examination includes a combination of multiple-choice items, practical items and short items relating to Unit 4 Topic 2: Complete accounting process for a trading GST business and Unit 4 Topic 3: Performance analysis of a public company.

Students respond to:

- multiple-choice items
- problem/s requiring the application of accounting principles and processes
- problem/s requiring synthesis to solve the accounting problem/s
- short item/s to unseen stimulus requiring analysis, interpretation and evaluation of the financial statements of a public company.

Summary of external assessment

The following table summarises the criteria, assessment objectives and approximate weighting of items within the Examination — short response.

Criterion	Objectives	Approximate weighting of items
Comprehending	1	20%
Applying Synthesising and solving	2 and 5	40%
Analysing Evaluating	3 and 4	40%
Total		100%

Conditions

- Time: 2 hours plus 15 minutes planning time.
- Length:
 - multiple-choice items
 - practical items — should allow students to complete the response in the set time
 - short items — paragraph responses, 50–250 words each item.
- Other:
 - unseen stimulus
 - non-programmable calculator permitted.

Instrument-specific marking guide

No ISMG is provided for the external assessment.

6 Glossary

Term	Explanation
A	
accomplished	highly trained or skilled in a particular activity; perfected in knowledge or training; expert
accuracy	the condition or quality of being true, correct or exact; freedom from error or defect; precision or exactness; correctness; in science, the extent to which a measurement result represents the quantity it purports to measure; an accurate measurement result includes an estimate of the true value and an estimate of the uncertainty
accurate	precise and exact; to the point; consistent with or exactly conforming to a truth, standard, rule, model, convention or known facts; free from error or defect; meticulous; correct in all details
adept	very/highly skilled or proficient at something; expert
adequate	satisfactory or acceptable in quality or quantity equal to the requirement or occasion
analyse	dissect to ascertain and examine constituent parts and/or their relationships; break down or examine in order to identify the essential elements, features, components or structure; determine the logic and reasonableness of information; examine or consider something in order to explain and interpret it, for the purpose of finding meaning or relationships and identifying patterns, similarities and differences
applied learning	the acquisition and application of knowledge, understanding and skills in real-world or lifelike contexts that may encompass workplace, industry and community situations; it emphasises learning through doing and includes both theory and the application of theory, connecting subject knowledge and understanding with the development of practical skills
Applied subject	a subject whose primary pathway is work and vocational education; it emphasises applied learning and community connections; a subject for which a syllabus has been developed by the QCAA with the following characteristics: results from courses developed from Applied syllabuses contribute to the QCE; results may contribute to ATAR calculations
Apply	use knowledge and understanding in response to a given situation or circumstance; carry out or use a procedure in a given or particular situation
appraise	evaluate the worth, significance or status of something; judge or consider a text or piece of work
appreciate	recognise or make a judgment about the value or worth of something; understand fully; grasp the full implications of
appropriate	acceptable; suitable or fitting for a particular purpose, circumstance, context, etc.
Apt	suitable to the purpose or occasion; fitting, appropriate

Term	Explanation
area of study	a division of, or a section within a unit
argue	give reasons for or against something; challenge or debate an issue or idea; persuade, prove or try to prove by giving reasons
aspect	a particular part of a feature of something; a facet, phase or part of a whole
assess	measure, determine, evaluate, estimate or make a judgment about the value, quality, outcomes, results, size, significance, nature or extent of something
assessment	purposeful and systematic collection of information about students' achievements
assessment instrument	a tool or device used to gather information about student achievement
assessment objectives	drawn from the unit objectives and contextualised for the requirements of the assessment instrument (see also 'syllabus objectives', 'unit objectives')
assessment technique	the method used to gather evidence about student achievement, (e.g. examination, project, investigation)
astute	showing an ability to accurately assess situations or people; of keen discernment
ATAR	Australian Tertiary Admission Rank
authoritative	able to be trusted as being accurate or true; reliable; commanding and self-confident; likely to be respected and obeyed
B	
backward processing	synthesising financial information to identify conceptual, clerical and consequential errors in calculations and processing
balanced	keeping or showing a balance; not biased; fairly judged or presented; taking everything into account in a fair, well-judged way
Basic	fundamental
business report	a formal business document containing information organised in a narrative, graphic and/or tabular form
business report (extract)	a formal business document containing the body of the report only; no introduction or conclusion.
C	
calculate	determine or find (e.g. a number, answer) by using mathematical processes; obtain a numerical answer showing the relevant stages in the working; ascertain/determine from given facts, figures or information
categorise	place in or assign to a particular class or group; arrange or order by classes or categories; classify, sort out, sort, separate
challenging	difficult but interesting; testing one's abilities; demanding and thought-provoking; usually involving unfamiliar or less familiar elements

Term	Explanation
characteristic	a typical feature or quality
clarify	make clear or intelligible; explain; make a statement or situation less confused and more comprehensible
clarity	clearness of thought or expression; the quality of being coherent and intelligible; free from obscurity of sense; without ambiguity; explicit; easy to perceive, understand or interpret
classify	arrange, distribute or order in classes or categories according to shared qualities or characteristics
clear	free from confusion, uncertainty, or doubt; easily seen, heard or understood
clearly	in a clear manner; plainly and openly, without ambiguity
clerical errors	in accounting, errors committed in the process of calculating, recording, processing and reporting financial transactions, and that are the result of carelessness
coherent	having a natural or due agreement of parts; connected; consistent; logical, orderly; well-structured and makes sense; rational, with parts that are harmonious; having an internally consistent relation of parts
cohesive	characterised by being united, bound together or having integrated meaning; forming a united whole
comment	express an opinion, observation or reaction in speech or writing; give a judgment based on a given statement or result of a calculation
communicate	convey knowledge and/or understandings to others; make known; transmit
compare	display recognition of similarities and differences and recognise the significance of these similarities and differences
competent	having suitable or sufficient skills, knowledge, experience, etc. for some purpose; adequate but not exceptional; capable; suitable or sufficient for the purpose; having the necessary ability, knowledge or skill to do something successfully; efficient and capable (of a person); acceptable and satisfactory, though not outstanding
competently	in an efficient and capable way; in an acceptable and satisfactory, though not outstanding, way
complex	composed or consisting of many different and interconnected parts or factors; compound; composite; characterised by an involved combination of parts; complicated; intricate; a complex whole or system; a complicated assembly of particulars
comprehend	understand the meaning or nature of; grasp mentally
comprehensive	inclusive; of large content or scope; including or dealing with all or nearly all elements or aspects of something; wide-ranging; detailed and thorough, including all that is relevant
computerised accounting package	electronic accounting software used to perform accounting functions, including the recording, processing and reporting of accounts (e.g. MYOB, QuickBooks, Xero)

Term	Explanation
computerised accounting processes	the accounting processes applied when using a computerised accounting system to set up accounts, enter transactions and report accounting information
concepts	in accounting, the basic theoretical ideas devised to support the activity of accounting
conceptual accounting	accounting based on concepts to ensure the production of high quality financial reports that meet users' needs
conceptual errors	in accounting, errors that occur as a result of incorrectly applying accounting concepts, principles and processes
concise	expressing much in few words; giving a lot of information clearly and in a few words; brief, comprehensive and to the point; succinct, clear, without repetition of information
concisely	in a way that is brief but comprehensive; expressing much in few words; clearly and succinctly
conduct	direct in action or course; manage; organise; carry out
consequential errors	in accounting, errors that follow on as an effect or outcome of a previous error
consider	think deliberately or carefully about something, typically before making a decision; take something into account when making a judgment; view attentively or scrutinise; reflect on
considerable	fairly large or great; thought about deliberately and with a purpose
considered	formed after careful and deliberate thought
consistent	agreeing or accordant; compatible; not self-opposed or self-contradictory, constantly adhering to the same principles; acting in the same way over time, especially so as to be fair or accurate; unchanging in nature, standard, or effect over time; not containing any logical contradictions (of an argument); constant in achievement or effect over a period of time
construct	create or put together (e.g. an argument) by arranging ideas or items; display information in a diagrammatic or logical form; make; build
contrast	display recognition of differences by deliberate juxtaposition of contrary elements; show how things are different or opposite; give an account of the differences between two or more items or situations, referring to both or all of them throughout
controlled	shows the exercise of restraint or direction over; held in check; restrained, managed or kept within certain bounds
convincing	persuaded by argument or proof; leaving no margin of doubt; clear; capable of causing someone to believe that something is true or real; persuading or assuring by argument or evidence; appearing worthy of belief; credible or plausible
course	a defined amount of learning developed from a subject syllabus
create	bring something into being or existence; produce or evolve from one's own thought or imagination; reorganise or put elements together into a new pattern or structure or to form a coherent or functional whole

Term	Explanation
creative	resulting from originality of thought or expression; relating to or involving the use of the imagination or original ideas to create something; having good imagination or original ideas
credible	capable or worthy of being believed; believable; convincing
criterion	the property or characteristic by which something is judged or appraised
critical	involving skilful judgment as to truth, merit, etc.; involving the objective analysis and evaluation of an issue in order to form a judgment; expressing or involving an analysis of the merits and faults of a work of literature, music, or art; incorporating a detailed and scholarly analysis and commentary (of a text); rationally appraising for logical consistency and merit
critique	review (e.g. a theory, practice, performance) in a detailed, analytical and critical way
cursory	hasty, and therefore not thorough or detailed; performed with little attention to detail; going rapidly over something, without noticing details; hasty; superficial
D	
decide	reach a resolution as a result of consideration; make a choice from a number of alternatives
deduce	reach a conclusion that is necessarily true, provided a given set of assumptions is true; arrive at, reach or draw a logical conclusion from reasoning and the information given
defensible	justifiable by argument; capable of being defended in argument
define	give the meaning of a word, phrase, concept or physical quantity; state meaning and identify or describe qualities
demonstrate	prove or make clear by argument, reasoning or evidence, illustrating with practical example; show by example; give a practical exhibition
derive	arrive at by reasoning; manipulate a mathematical relationship to give a new equation or relationship; in mathematics, obtain the derivative of a function
describe	give an account (written or spoken) of a situation, event, pattern or process, or of the characteristics or features of something
design	produce a plan, simulation, model or similar; plan, form or conceive in the mind; in English, select, organise and use particular elements in the process of text construction for particular purposes; these elements may be linguistic (words), visual (images), audio (sounds), gestural (body language), spatial (arrangement on the page or screen) and multimodal (a combination of more than one)
detailed	executed with great attention to the fine points; meticulous; including many of the parts or facts
determine	establish, conclude or ascertain after consideration, observation, investigation or calculation; decide or come to a resolution

Term	Explanation
develop	elaborate, expand or enlarge in detail; add detail and fullness to; cause to become more complex or intricate
devise	think out; plan; contrive; invent
differentiate	identify the difference/s in or between two or more things; distinguish, discriminate; recognise or ascertain what makes something distinct from similar things; in mathematics, obtain the derivative of a function
discerning	discriminating; showing intellectual perception; showing good judgment; making thoughtful and astute choices; selected for value or relevance
discriminate	note, observe or recognise a difference; make or constitute a distinction in or between; differentiate; note or distinguish as different
discriminating	differentiating; distinctive; perceiving differences or distinctions with nicety; possessing discrimination; perceptive and judicious; making judgments about quality; having or showing refined taste or good judgment
discuss	examine by argument; sift the considerations for and against; debate; talk or write about a topic, including a range of arguments, factors or hypotheses; consider, taking into account different issues and ideas, points for and/or against, and supporting opinions or conclusions with evidence
disjointed	disconnected; incoherent; lacking a coherent order/sequence or connection
distinguish	recognise as distinct or different; note points of difference between; discriminate; discern; make clear a difference/s between two or more concepts or items
diverse	of various kinds or forms; different from each other
document	support (e.g. an assertion, claim, statement) with evidence (e.g. decisive information, written references, citations)
E	
effective	successful in producing the intended, desired or expected result; meeting the assigned purpose
efficient	working in a well-organised and competent way; maximum productivity with minimal expenditure of effort; acting or producing effectively with a minimum of waste, expense or unnecessary effort
element	a component or constituent part of a complex whole; a fundamental, essential or irreducible part of a composite entity
elementary	simple or uncompounded; relating to or dealing with elements, rudiments or first principles (of a subject); of the most basic kind; straightforward and uncomplicated
erroneous	based on or containing error; mistaken; incorrect
essential	absolutely necessary; indispensable; of critical importance for achieving something

Term	Explanation
evaluate	make an appraisal by weighing up or assessing strengths, implications and limitations; make judgments about ideas, works, solutions or methods in relation to selected criteria; examine and determine the merit, value or significance of something, based on criteria
examination	a supervised test that assesses the application of a range of cognitions to one or more provided items such as questions, scenarios and/or problems; student responses are completed individually, under supervised conditions, and in a set timeframe
examine	investigate, inspect or scrutinise; inquire or search into; consider or discuss an argument or concept in a way that uncovers the assumptions and interrelationships of the issue
experiment	try out or test new ideas or methods, especially in order to discover or prove something; undertake or perform a scientific procedure to test a hypothesis, make a discovery or demonstrate a known fact
explain	make an idea or situation plain or clear by describing it in more detail or revealing relevant facts; give an account; provide additional information
explicit	clearly and distinctly expressing all that is meant; unequivocal; clearly developed or formulated; leaving nothing merely implied or suggested
explore	look into both closely and broadly; scrutinise; inquire into or discuss something in detail
express	convey, show or communicate (e.g. a thought, opinion, feeling, emotion, idea or viewpoint); in words, art, music or movement, convey or suggest a representation of; depict
extended response	an open-ended assessment technique that focuses on the interpretation, analysis, examination and/or evaluation of ideas and information in response to a particular situation or stimulus; while students may undertake some research when writing of the extended response, it is not the focus of this technique; an extended response occurs over an extended and defined period of time
Extension subject	a two-unit subject (Units 3 and 4) for which a syllabus has been developed by QCAA, that is an extension of one or more General subject/s, studied concurrently with, Units 3 and 4 of that subject or after completion of, Units 3 and 4 of that subject
extensive	of great extent; wide; broad; far-reaching; comprehensive; lengthy; detailed; large in amount or scale
external assessment	summative assessment that occurs towards the end of a course of study and is common to all schools; developed and marked by the QCAA according to a commonly applied marking scheme
external examination	a supervised test, developed and marked by the QCAA, that assesses the application of a range of cognitions to multiple provided items such as questions, scenarios and/or problems; student responses are completed individually, under supervised conditions, and in a set timeframe

Term	Explanation
extrapolate	infer or estimate by extending or projecting known information; conjecture; infer from what is known; extend the application of something (e.g. a method or conclusion) to an unknown situation by assuming that existing trends will continue or similar methods will be applicable
F	
factual	relating to or based on facts; concerned with what is actually the case; actually occurring; having verified existence
familiar	well-acquainted; thoroughly conversant with; well known from long or close association; often encountered or experienced; common; (of materials, texts, skills or circumstances) having been the focus of learning experiences or previously encountered in prior learning activities
feasible	capable of being achieved, accomplished or put into effect; reasonable enough to be believed or accepted; probable; likely
financial data	pieces or sets of information related to the financial aspects of a business
financial statements	statements used to provide specific information about a business, including the Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows
fluent	spoken or written with ease; able to speak or write smoothly, easily or readily; articulate; eloquent; in artistic performance, characteristic of a highly developed and excellently controlled technique; flowing; polished; flowing smoothly, easily and effortlessly
fluently	in a graceful and seemingly effortless manner; in a way that progresses smoothly and readily
formative assessment	assessment whose major purpose is to improve teaching and student achievement
forward processing	applying accounting concepts, principles and processes to data to generate a solution
fragmented	disorganised; broken down; disjointed or isolated
frequent	happening or occurring often at short intervals; constant, habitual, or regular
fundamental	forming a necessary base or core; of central importance; affecting or relating to the essential nature of something; part of a foundation or basis
fundamental problem	highly structured questions requiring the application of concepts, principles and processes
G	
General subject	a subject for which a syllabus has been developed by the QCAA with the following characteristics: results from courses developed from General syllabuses contribute to the QCE; General subjects have an external assessment component; results may contribute to ATAR calculations
generate	produce; create; bring into existence

Term	Explanation
goal-oriented problem	unfamiliar and more complex than a fundamental problem requiring the application of concepts, principles and processes to achieve a goal
GST	goods and services tax
H	
hypothesise	formulate a supposition to account for known facts or observed occurrences; conjecture, theorise, speculate; especially on uncertain or tentative grounds
I	
identify	distinguish; locate, recognise and name; establish or indicate who or what someone or something is; provide an answer from a number of possibilities; recognise and state a distinguishing factor or feature
illogical	lacking sense or sound reasoning; contrary to or disregarding of the rules of logic; unreasonable
implement	put something into effect, e.g. a plan or proposal
implicit	implied, rather than expressly stated; not plainly expressed; capable of being inferred from something else
improbable	not probable; unlikely to be true or to happen; not easy to believe
inaccurate	not accurate
inappropriate	not suitable or proper in the circumstances
inconsistent	lacking agreement, as one thing with another, or two or more things in relation to each other; at variance; not consistent; not in keeping; not in accordance; incompatible, incongruous
independent	thinking or acting for oneself, not influenced by others
in-depth	comprehensive and with thorough coverage; extensive or profound; well-balanced or fully developed
infer	derive or conclude something from evidence and reasoning, rather than from explicit statements; listen or read beyond what has been literally expressed; imply or hint at
information	in accounting, processed data and monetary facts about a person or organisation and their/its financial activities
informed	knowledgeable; learned; having relevant knowledge; being conversant with the topic; based on an understanding of the facts of the situation (of a decision or judgment)
innovative	new and original; introducing new ideas; original and creative in thinking
insightful	showing understanding of a situation or process; understanding relationships in complex situations; informed by observation and deduction

Term	Explanation
instrument-specific marking guide	ISMG; a tool for marking that describes the characteristics evident in student responses and aligns with the identified objectives for the assessment (see 'assessment objectives')
integral	adjective necessary for the completeness of the whole; essential or fundamental; noun in mathematics, the result of integration; an expression from which a given function, equation, or system of equations is derived by differentiation
intended	designed; meant; done on purpose; intentional
internal assessment	assessments that are developed by schools; summative internal assessments are endorsed by the QCAA before use in schools and results externally confirmed contribute towards a student's final result
interpret	use knowledge and understanding to recognise trends and draw conclusions from given information; make clear or explicit; elucidate or understand in a particular way bring out the meaning of, e.g. a dramatic or musical work, by performance or execution; bring out the meaning of an artwork by artistic representation or performance; give one's own interpretation of; identify or draw meaning from, or give meaning to, information presented in various forms, such as words, symbols, pictures or graphs
investigation	an assessment technique that requires students to research a specific problem, question, issue, design challenge or hypothesis through the collection, analysis and synthesis of primary and/or secondary data; it uses research or investigative practices to assess a range of cognitions in a particular context; an investigation occurs over an extended and defined period of time
investigate	carry out an examination or formal inquiry in order to establish or obtain facts and reach new conclusions; search, inquire into, interpret and draw conclusions about data and information
irrelevant	not relevant; not applicable or pertinent; not connected with or relevant to something
ISMG	instrument-specific marking guide; a tool for marking that describes the characteristics evident in student responses and aligns with the identified objectives for the assessment (see 'assessment objectives')
isolated	detached, separate, or unconnected with other things; one-off; something set apart or characterised as different in some way
J	
judge	form an opinion or conclusion about; apply both procedural and deliberative operations to make a determination
justified	sound reasons or evidence are provided to support an argument, statement or conclusion

Term	Explanation
justify	give reasons or evidence to support an answer, response or conclusion; show or prove how an argument, statement or conclusion is right or reasonable
L	
learning area	a grouping of subjects, with related characteristics, within a broad field of learning, e.g. the Arts, sciences, languages
letter of advice	a communication from an accountant or business consultant, providing advice to a client relating to a specific accounting context or situation; the letter of advice requires a salutation, body and complimentary close; it is appropriate for the body of the letter to include a subject heading, paragraph headings, paragraphs (including numbered or bulleted lists); factual data and information may also be included in the body of the letter or as inserted objects, e.g. graphs or tables to support the analysis and interpretation; the formality of the letter will depend on the client's expertise or familiarity with accounting concepts, principles and processes; a letter of advice written to a client without professional or extensive accounting experience is written using common terms rather than extensive accounting terminology.
logical	rational and valid; internally consistent; reasonable; reasoning in accordance with the principles/rules of logic or formal argument; characterised by or capable of clear, sound reasoning; (of an action, decision, etc.) expected or sensible under the circumstances
logically	according to the rules of logic or formal argument; in a way that shows clear, sound reasoning; in a way that is expected or sensible
M	
make decisions	select from available options; weigh up positives and negatives of each option and consider all the alternatives to arrive at a position
manipulate	adapt or change to suit one's purpose
mental procedures	a domain of knowledge in Marzano's taxonomy, and acted upon by the cognitive, metacognitive and self-systems; sometimes referred to as 'procedural knowledge' there are three distinct phases to the acquisition of mental procedures — the cognitive stage, the associative stage, and the autonomous stage; the two categories of mental procedures are skills (single rules, algorithms and tactics) and processes (macroprocedures)
methodical	performed, disposed or acting in a systematic way; orderly; characterised by method or order; performed or carried out systematically
minimal	least possible; small, the least amount; negligible
modify	change the form or qualities of; make partial or minor changes to something

Term	Explanation
multimodal	uses a combination of at least two modes (e.g. spoken, written), delivered at the same time, to communicate ideas and information to a live or virtual audience, for a particular purpose; the selected modes are integrated so that each mode contributes significantly to the response
N	
narrow	limited in range or scope; lacking breadth of view; limited in amount; barely sufficient or adequate; restricted
nuanced	showing a subtle difference or distinction in expression, meaning, response, etc.; finely differentiated; characterised by subtle shades of meaning or expression; a subtle distinction, variation or quality; sensibility to, awareness of, or ability to express delicate shadings, as of meaning, feeling, or value
O	
objectives	see 'syllabus objectives', 'unit objectives', 'assessment objectives'
obvious	clearly perceptible or evident; easily seen, recognised or understood
optimal	best, most favourable, under a particular set of circumstances
organise	arrange, order; form as or into a whole consisting of interdependent or coordinated parts, especially for harmonious or united action
organised	systematically ordered and arranged; having a formal organisational structure to arrange, coordinate and carry out activities
outstanding	exceptionally good; clearly noticeable; prominent; conspicuous; striking
P	
partial	not total or general; existing only in part; attempted, but incomplete
particular	distinguished or different from others or from the ordinary; noteworthy
pattern	a regular and notable form or sequence discernible in the behaviour of a variable
perceptive	having or showing insight and the ability to perceive or understand; discerning (see also 'discriminating')
performance	an assessment technique that requires students to demonstrate a range of cognitive, technical, creative and/or expressive skills and to apply theoretical and conceptual understandings, through the psychomotor domain; it involves student application of identified skills when responding to a task that involves solving a problem, providing a solution or conveying meaning or intent; a performance is developed over an extended and defined period of time
persuasive	capable of changing someone's ideas, opinions or beliefs; appearing worthy of approval or acceptance; (of an argument or statement) communicating reasonably or credibly (see also 'convincing')

Term	Explanation
perusal time	time allocated in an assessment to reading items and tasks and associated assessment materials; no writing is allowed; students may not make notes and may not commence responding to the assessment in the response space/book
planning time	time allocated in an assessment to planning how to respond to items and tasks and associated assessment materials; students may make notes but may not commence responding to the assessment in the response space/book; notes made during planning are not collected, nor are they graded or used as evidence of achievement
polished	flawless or excellent; performed with skilful ease
practices	in accounting, the daily implementation of accounting principles and processes within an organisation
precise	definite or exact; definitely or strictly stated, defined or fixed; characterised by definite or exact expression or execution
precision	accuracy; exactness; exact observance of forms in conduct or actions
predict	give an expected result of an upcoming action or event; suggest what may happen based on available information
principles	in accounting, the rules, standards and conventions followed by accountants in measuring, recording and reporting transactions
processes	sequences of activities that begin with a transaction and end with the closing of the books; these processes are repeated each reporting period and are referred to as the accounting cycle
product	an assessment technique that focusses on the output or result of a process requiring the application of a range of cognitive, physical, technical, creative and/or expressive skills, and theoretical and conceptual understandings; a product is developed over an extended and defined period of time
proficient	well advanced or expert in any art, science or subject; competent, skilled or adept in doing or using something
project	an assessment technique that focusses on a problem-solving process requiring the application of a range of cognitive, technical and creative skills and theoretical understandings; the response is a coherent work that documents the iterative process undertaken to develop a solution and includes written paragraphs and annotations, diagrams, sketches, drawings, photographs, video, spoken presentations, physical prototypes and/or models; a project is developed over an extended and defined period of time
propose	put forward (e.g. a point of view, idea, argument, suggestion) for consideration or action
prove	use a sequence of steps to obtain the required result in a formal way

Term	Explanation
psychomotor procedures	a domain of knowledge in Marzano's taxonomy, and acted upon by the cognitive, metacognitive and self-systems; these are physical procedures used to negotiate daily life and to engage in complex physical activities; the two categories of psychomotor procedures are skills (foundational procedures and simple combination procedures) and processes (complex combination procedures)
purposeful	having an intended or desired result; having a useful purpose; determined; resolute; full of meaning; significant; intentional
Q	
QCE	Queensland Certificate of Education
R	
realise	create or make (e.g. a musical, artistic or dramatic work); actualise; make real or concrete; give reality or substance to
reasonable	endowed with reason; having sound judgment; fair and sensible; based on good sense; average; appropriate, moderate
reasoned	logical and sound; based on logic or good sense; logically thought out and presented with justification; guided by reason; well-grounded; considered
recall	remember; present remembered ideas, facts or experiences; bring something back into thought, attention or into one's mind
recognise	identify or recall particular features of information from knowledge; identify that an item, characteristic or quality exists; perceive as existing or true; be aware of or acknowledge
recommendation/s	course/s of action suggested as the most suitable for a situation or context
refined	developed or improved so as to be precise, exact or subtle
reflect on	think about deeply and carefully
rehearsed	practised; previously experienced; practised extensively
related	associated with or linked to
relationship	a connection or correlation between variables that has an element of causation or dependence
relevance	being related to the matter at hand
relevant	bearing upon or connected with the matter in hand; to the purpose; applicable and pertinent; having a direct bearing on
repetitive	containing or characterised by repetition, especially when unnecessary or tiresome
reporting	providing information that succinctly describes student performance at different junctures throughout a course of study
resolve	in the Arts, consolidate and communicate intent through a synthesis of ideas and application of media to express meaning

Term	Explanation
routine	often encountered, previously experienced; commonplace; customary and regular; well-practised; performed as part of a regular procedure, rather than for a special reason
rudimentary	relating to rudiments or first principles; elementary; undeveloped; involving or limited to basic principles; relating to an immature, undeveloped or basic form
S	
safe	secure; not risky
secure	sure; certain; able to be counted on; self-confident; poised; dependable; confident; assured; not liable to fail
select	choose in preference to another or others; pick out
sensitive	capable of perceiving with a sense or senses; aware of the attitudes, feelings or circumstances of others; having acute mental or emotional sensibility; relating to or connected with the senses or sensation
sequence	place in a continuous or connected series; arrange in a particular order
show	provide the relevant reasoning to support a response
significant	important; of consequence; expressing a meaning; indicative; includes all that is important; sufficiently great or important to be worthy of attention; noteworthy; having a particular meaning; indicative of something
simple	easy to understand, deal with and use; not complex or complicated; plain; not elaborate or artificial; may concern a single or basic aspect; involving few elements, components or steps
simplistic	characterised by extreme simplification, especially if misleading; oversimplified
sketch	execute a drawing or painting in simple form, giving essential features but not necessarily with detail or accuracy; in mathematics, represent by means of a diagram or graph; the sketch should give a general idea of the required shape or relationship and should include features
skilful	having technical facility or practical ability; possessing, showing, involving or requiring skill; expert, dexterous; demonstrating the knowledge, ability or training to perform a certain activity or task well; trained, practised or experienced
skilled	having or showing the knowledge, ability or training to perform a certain activity or task well; having skill; trained or experienced; showing, involving or requiring skill
solve	find an answer to, explanation for, or means of dealing with (e.g. a problem); work out the answer or solution to (e.g. a mathematical problem); obtain the answer/s using algebraic, numerical and/or graphical methods

Term	Explanation
sophisticated	of intellectual complexity; reflecting a high degree of skill, intelligence, etc.; employing advanced or refined methods or concepts; highly developed or complicated
specific	clearly defined or identified; precise and clear in making statements or issuing instructions; having a special application or reference; explicit, or definite; peculiar or proper to something, as qualities, characteristics, effects, etc.
sporadic	happening now and again or at intervals; irregular or occasional; appearing in scattered or isolated instances
spreadsheet (software)	an application or computer program used to generate electronic documents in which data is arranged in the rows and columns of a grid, and can be manipulated and used in calculations
spreadsheet features	the facilities available when using spreadsheet software to manipulate data in rows and columns, including entering, editing and formatting data, rearranging data, filtering data, and copy and pasting data
spreadsheet functions	the preprogrammed applications available when using spreadsheet software to process data, e.g. graphing, applying pre-set formulae and performing what-if analysis
straightforward	without difficulty; uncomplicated; direct; easy to do or understand
structure	verb give a pattern, organisation or arrangement to; construct or arrange according to a plan; noun in languages, arrangement of words into larger units, e.g. phrases, clauses, sentences, paragraphs and whole texts, in line with cultural, intercultural and textual conventions
structured	organised or arranged so as to produce a desired result
subject	a branch or area of knowledge or learning defined by a syllabus; school subjects are usually based in a discipline or field of study (see also 'course')
subject matter	the subject-specific body of information, mental procedures and psychomotor procedures that are necessary for students' learning and engagement within that subject
substantial	of ample or considerable amount, quantity, size, etc.; of real worth or value; firmly or solidly established; of real significance; reliable; important, worthwhile
substantiated	established by proof or competent evidence
subtle	fine or delicate in meaning or intent; making use of indirect methods; not straightforward or obvious
successful	achieving or having achieved success; accomplishing a desired aim or result
succinct	expressed in few words; concise; terse; characterised by conciseness or brevity; brief and clear
sufficient	enough or adequate for the purpose

Term	Explanation
suitable	appropriate; fitting; conforming or agreeing in nature, condition, or action
summarise	give a brief statement of a general theme or major point/s; present ideas and information in fewer words and in sequence
summative assessment	assessment whose major purpose is to indicate student achievement; summative assessments contribute towards a student's subject result
superficial	concerned with or comprehending only what is on the surface or obvious; shallow; not profound, thorough, deep or complete; existing or occurring at or on the surface; cursory; lacking depth of character or understanding; apparent and sometimes trivial
supported	corroborated; given greater credibility by providing evidence
sustained	carried on continuously, without interruption, or without any diminishing of intensity or extent
syllabus	a document that prescribes the curriculum for a course of study
syllabus objectives	outline what the school is required to teach and what students have the opportunity to learn; described in terms of actions that operate on the subject matter; the overarching objectives for a course of study (see also 'unit objectives', 'assessment objectives')
symbolise	represent or identify by a symbol or symbols
synthesise	combine different parts or elements (e.g. information, ideas, components) into a whole, in order to create new understanding
systematic	done or acting according to a fixed plan or system; methodical; organised and logical; having, showing, or involving a system, method, or plan; characterised by system or method; methodical; arranged in, or comprising an ordered system
T	
test	take measures to check the quality, performance or reliability of something
thorough	carried out through, or applied to the whole of something; carried out completely and carefully; including all that is required; complete with attention to every detail; not superficial or partial; performed or written with care and completeness; taking pains to do something carefully and completely
thoughtful	occupied with, or given to thought; contemplative; meditative; reflective; characterised by or manifesting thought
topic	a division of, or sub-section within a unit; all topics/sub-topics within a unit are interrelated
trend	a general direction and momentum of behaviour of a variable in a time series
U	
unclear	not clear or distinct; not easy to understand; obscure

Term	Explanation
understand	perceive what is meant by something; grasp; be familiar with (e.g. an idea); construct meaning from messages, including oral, written and graphic communication
uneven	unequal; not properly corresponding or agreeing; irregular; varying; not uniform; not equally balanced
unfamiliar	not previously encountered; situations or materials that have not been the focus of prior learning experiences or activities
unit	a defined amount of subject matter delivered in a specific context or with a particular focus; it includes unit objectives particular to the unit, subject matter and assessment direction
unit objectives	drawn from the syllabus objectives and contextualised for the subject matter and requirements of a particular unit; they are assessed at least once in the unit (see also 'syllabus objectives', 'assessment objectives')
unrelated	having no relationship; unconnected
use	operate or put into effect; apply knowledge or rules to put theory into practice
V	
vague	not definite in statement or meaning; not explicit or precise; not definitely fixed, determined or known; of uncertain, indefinite or unclear character or meaning; not clear in thought or understanding; couched in general or indefinite terms; not definitely or precisely expressed; deficient in details or particulars; thinking or communicating in an unfocused or imprecise way
valid	sound, just or well-founded; authoritative; having a sound basis in logic or fact (of an argument or point); reasonable or cogent; able to be supported; legitimate and defensible; applicable
variable	adjective apt or liable to vary or change; changeable; inconsistent; (readily) susceptible or capable of variation; fluctuating, uncertain; noun in mathematics, a symbol, or the quantity it signifies, that may represent any one of a given set of number and other objects
variety	a number or range of things of different kinds, or the same general class, that are distinct in character or quality; (of sources) a number of different modes or references
W	
wide	of great range or scope; embracing a great number or variety of subjects, cases, etc.; of full extent
with expression	in words, art, music or movement, conveying or indicating feeling, spirit, character, etc.; a way of expressing or representing something; vivid, effective or persuasive communication

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8 Version history

Version	Date of change	Update
1.1	June 2017	Minor amendments to ISMGs
2.0	June 2018	Editorial edits and minor formatting corrections
		Amendments to syllabus objectives which has been carried through to unit objectives and assessment objectives
		Amendment to reporting standards
		Amendment to 1.2.4 Pedagogical and conceptual frameworks
		Unit 1 and Unit 2 assessment guidance updated
		Subject matter amendments across Units 1-4
		IA1: Examination — combination response <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		IA2: Examination — combination response <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		IA3: Project – cash management <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions • Amendment to ISMG
		External assessment: Examination – short response <ul style="list-style-type: none"> • Amendment to assessment objectives • Amendment to specifications and conditions
		Glossary updated

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