

# Accounting 2025 v1.0

General senior syllabus

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# Queensland syllabuses for senior subjects

In Queensland, a syllabus for a senior subject is an official 'map' of a senior school subject. A syllabus's function is to support schools in delivering the Queensland Certificate of Education (QCE) system through high-quality and high-equity curriculum and assessment.

Syllabuses are based on design principles developed from independent international research about how excellence and equity are promoted in the documents teachers use to develop and enliven the curriculum.

Syllabuses for senior subjects build on student learning in the Prep to Year 10 Australian Curriculum and include General, General (Extension), Senior External Examination (SEE), Applied, Applied (Essential) and Short Course syllabuses.

More information about syllabuses for senior subjects is available at [www.qcaa.qld.edu.au/senior/senior-subjects](http://www.qcaa.qld.edu.au/senior/senior-subjects) and in the 'Queensland curriculum' section of the *QCE and QCIA policy and procedures handbook*.

Teaching, learning and assessment resources will support the implementation of a syllabus for a senior subject. More information about professional resources for senior syllabuses is available on the QCAA website and via the QCAA Portal.

# Course overview

## 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 involves processing transactions to develop financial statements and reports to stakeholders. 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, accounting for GST, managerial and accounting controls, internal and external financial statements, and analysis. Students are then ready for more complex utilisation of knowledge, allowing them to synthesise data and other financial information, evaluate practices of financial management, 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.

# Syllabus objectives

The syllabus objectives outline what students have the opportunity to learn.

## **1. Comprehend accounting concepts, principles and processes.**

When students comprehend, they identify accounting characteristics and demonstrate understanding of accounting concepts, principles and processes. Comprehending involves descriptions, explanations, calculations, identifying and ordering steps in a skill or process, and using accounting terminology.

## **2. Synthesise accounting principles and processes.**

When students synthesise, they use their knowledge to synthesise financial data and information. They apply accounting principles and processes to solve accounting problems and explain how the accounting problem is solved.

## **3. Analyse and interpret financial data and information.**

When students analyse, they use financial data and information to interpret trends and relationships and explain issues or problems.

## **4. Evaluate practices of financial management to make decisions and propose recommendations.**

When students evaluate, they use their analysis and interpretation to make decisions about existing or alternative practices of financial management. Decisions are justified using criteria that assess strengths and limitations. They propose a recommendation/s to solve an accounting problem.

## **5. Create responses that communicate meaning.**

When students create a response that communicates meaning, they demonstrate choices of language, sequencing and the development of accounting ideas to convey meaning suitable for the purpose. They use a genre, including graphs, data and statistics to suit accounting contexts.

# Designing a course of study in Accounting

Syllabuses are designed for teachers to make professional decisions to tailor curriculum and assessment design and delivery to suit their school context and the goals, aspirations and abilities of their students within the parameters of Queensland's senior phase of learning.

The syllabus is used by teachers to develop curriculum for their school context. The term *course of study* describes the unique curriculum and assessment that students engage with in each school context. A course of study is the product of a series of decisions made by a school to select, organise and contextualise subject matter, integrate complementary and important learning, and create assessment tasks in accordance with syllabus specifications.

It is encouraged that, where possible, a course of study is designed such that teaching, learning and assessment activities are integrated and enlivened in an authentic setting.

## Course structure

Accounting is a General senior syllabus. It contains four QCAA-developed units from which schools develop their course of study.

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

Students should complete Unit 1 and Unit 2 before beginning Units 3 and 4. Units 3 and 4 are studied as a pair.

More information about the requirements for administering senior syllabuses is available in the 'Queensland curriculum' section of the [QCE and QCIA policy and procedures handbook](#).

## Curriculum

Senior syllabuses set out only what is essential while being flexible so teachers can make curriculum decisions to suit their students, school context, resources and expertise.

Within the requirements set out in this syllabus and the [QCE and QCIA policy and procedures handbook](#), schools have autonomy to decide:

- how and when subject matter is delivered
- how, when and why learning experiences are developed, and the context in which learning occurs
- how opportunities are provided in the course of study for explicit and integrated teaching and learning of complementary skills.

These decisions allow teachers to develop a course of study that is rich, engaging and relevant for their students.

## Assessment

Senior syllabuses set out only what is essential while being flexible so teachers can make assessment decisions to suit their students, school context, resources and expertise.

General senior syllabuses contain assessment specifications and conditions for the assessment instruments that must be implemented with Units 3 and 4. These specifications and conditions ensure comparability, equity and validity in assessment.

Within the requirements set out in this syllabus and the [QCE and QCIA policy and procedures handbook](#), schools have autonomy to decide:

- specific assessment task details
- assessment contexts to suit available resources
- how the assessment task will be integrated with teaching and learning activities
- how authentic the task will be.

In Unit 1 and Unit 2, schools:

- develop at least two but no more than four assessments
- complete at least one assessment for each unit
- ensure that each unit objective is assessed at least once.

In Units 3 and 4, schools develop three assessments using the assessment specifications and conditions provided in the syllabus.

More information about assessment in senior syllabuses is available in 'The assessment system' section of the [QCE and QCIA policy and procedures handbook](#).

## Subject matter

Each unit contains a unit description, unit objectives and 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 the subject. Subject matter itself is not the specification of learning experiences but provides the basis for the design of student learning experiences.

Subject matter has a direct relationship with the unit objectives and provides statements of learning that have been constructed in a similar way to objectives.



## Aboriginal perspectives and Torres Strait Islander perspectives

The QCAA is committed to reconciliation. 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](http://www.qcaa.qld.edu.au/k-12-policies/aboriginal-torres-strait-islander-perspectives).

Where appropriate, Aboriginal perspectives and Torres Strait Islander perspectives have been embedded in the subject matter.

## Complementary skills

Opportunities for the development of complementary skills have been embedded throughout subject matter. These skills, which overlap and interact with syllabus subject matter, are derived from current education, industry and community expectations and encompass the knowledge, skills, capabilities, behaviours and dispositions that will help students live and work successfully in the 21st century.

These complementary skills are:

- literacy — the knowledge, skills, behaviours and dispositions about language and texts essential for understanding and conveying English language 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 skills include critical thinking, creative thinking, communication, collaboration and teamwork, personal and social skills, and digital literacy. The explanations of associated skills are available at [www.qcaa.qld.edu.au/senior/senior-subjects/general-subjects/21st-century-skills](http://www.qcaa.qld.edu.au/senior/senior-subjects/general-subjects/21st-century-skills).

It is expected that aspects of literacy, numeracy and 21st century skills will be developed by engaging in the learning outlined in this syllabus. Teachers may choose to create additional explicit and intentional opportunities for the development of these skills as they design the course of study.

## Additional subject-specific information

Additional subject-specific information has been included to support and inform the development of a course of study.

### 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

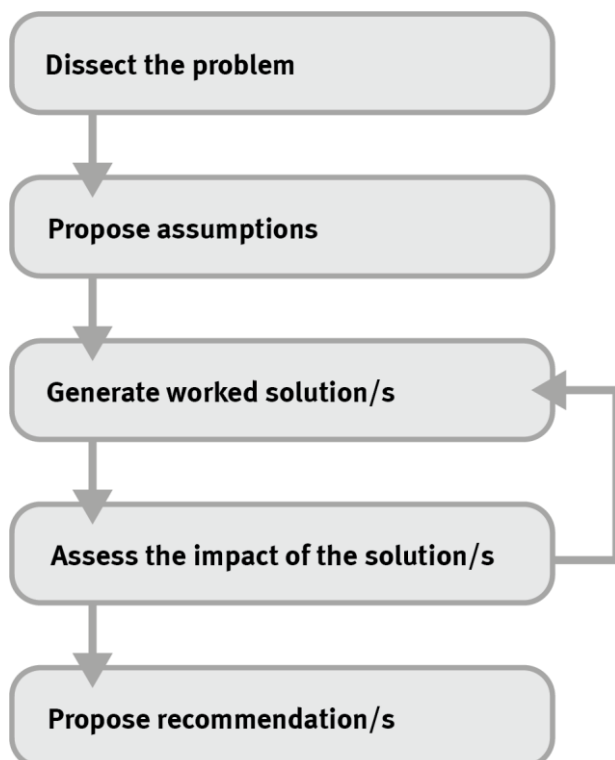
The combination of subject matter with problem-solving processes enables students to learn and apply accounting concepts (Deleo & Letourneau 1994). By emphasising a conceptual (rather than rules-based) understanding of Accounting and emphasising critical thinking skills, students are provided with the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

The use of 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 1: A problem-solving model



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

- dissect the problem
  - comprehend available information to define the accounting problem
- propose assumptions
  - 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
- generate worked solution/s
- assess the impact of the solution/s
  - explore the options
  - assess strengths and limitations
  - make a decision
- propose a recommendation/s.

### **Key terminology**

Key terms in this syllabus include:

- **sole trader business**, which may be a service/trading/combination of both service and trading business
- **constant budget**, which is the budget that would have been prepared had there been no changes and is the budget on which the 'what-if' budgets are based.

# Reporting

General information about determining and reporting results for senior syllabuses is provided in the 'Determining and reporting results' section of the [QCE and QCIA policy and procedures handbook](#).

## Reporting standards

Reporting standards are summary statements that describe typical performance at each of the five levels (A–E).

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

## D

The student demonstrates a rudimentary comprehension of accounting concepts, principles and processes. There is inconsistent application of accounting principles and processes to calculate, record, process and report financial data. Partial synthesis is used to generate narrow and inconsistent solutions to solve accounting problems.

The student provides inconsistent analysis and superficial interpretation of financial data or information.

The student demonstrates rudimentary evaluation of practices of financial management with inconsistent decisions and/or narrow recommendations. Responses are created that communicate meaning using rudimentary language, with inappropriate sequencing and organisation of ideas and partial control of genre.

## E

The student demonstrates a fragmented comprehension of accounting concepts, principles or processes. There is partial application of accounting principles and processes to inaccurately and inappropriately calculate, record, process or report financial data. cursory synthesis is used to generate inaccurate solutions to solve accounting problems.

The student provides partial interpretation of financial data or information.

The student provides inaccurate and irrelevant decisions or recommendations relating to practices of financial management. Responses are created that communicate meaning using fragmented language and sequencing or organisation of ideas.

## Determining and reporting results

### Unit 1 and Unit 2

Schools make judgments on individual assessment instruments using a method determined by the school. They may use the reporting standards or develop an instrument-specific marking guide (ISMG). Marks are not required for determining a unit result for reporting to the QCAA.

The unit assessment program comprises the assessment instrument/s designed by the school to allow the students to demonstrate the unit objectives. The unit judgment of A–E is made using reporting standards.

Schools report student results for Unit 1 and Unit 2 to the QCAA as satisfactory (S) or unsatisfactory (U). Where appropriate, schools may also report a not rated (NR).

### Units 3 and 4

Schools mark each of the three internal assessment instruments implemented in Units 3 and 4 using ISMGs.

Schools report a provisional mark by criterion to the QCAA for each internal assessment.

Once confirmed by the QCAA, these results will be combined with the result of the external assessment developed and marked by the QCAA.

The QCAA uses these results to determine each student's subject result as a mark out of 100 and as an A–E.

# Units

## Unit 1: Real-world accounting

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 transactions for sole trader businesses. Computerised accounting processes are introduced using a computerised accounting package and/or spreadsheeting software to record and process transactions.

### Unit objectives

1. Comprehend accounting concepts, principles and processes relating to accounting for today's businesses.
2. Synthesise accounting principles and processes relating to accounting for today's businesses.
3. Analyse and interpret financial data and information relating to accounting for today's businesses.
5. Create responses that communicate meaning to business owners and other stakeholders of a sole trader business.

# Subject matter

## Topic 1: Introduction to accounting

- Describe
  - accounting
  - where people invest their money
  - the following business entities: sole trader, partnership and company (private and public)
  - service vs. trading business activities
  - shareholder
  - elements of accounting, including assets, liabilities, owner's/shareholders' equity, revenue and expenses
  - the accounting equation
  - types of accounts for a sole trader business, including accounts receivable, accounts payable, inventories and Cost of Goods Sold
  - 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.
- Explain
  - why accounting informs practices of financial management of businesses
  - why people invest their money in a business
  - how accounting information is used by investors (owners/shareholders) and other stakeholders
  - the ownership structure of a sole trader, partnership and company
  - legal entity
  - limited and unlimited liability
  - the role of an accountant, an auditor and the accounting profession
  - the difference between cash and net profit.
- Explain the relationship between
  - profit and the accounting equation
  - income and revenue
  - profit and net cash flow from operations.
- Explain the interrelationship between
  - assets, liabilities and owner's equity
  - revenue, expenses and profit/loss.
- Analyse and interpret the similarities and differences between the various accounts that comprise assets, liabilities, owner's/shareholders' equity, revenue and expenses for a sole trader and a public company.
- Analyse and interpret different forms of investment compared with owning and running a business.
- Create sentence and paragraph responses that communicate descriptions, explanations, analyses and interpretations relating to entities to business owners and other stakeholders.

## Topic 2: Accounting for today's businesses

- Describe
  - accounting entity concept
  - monetary principle
  - historical cost
  - materiality
  - going concern principle
  - net worth
  - transaction analysis
  - double entry
  - Goods and Services Tax (GST) and classifications for calculating GST
  - source documents evidencing cash and credit transactions (including electronic documents) and their purpose
  - perpetual inventory system
  - accounting records including general journal, ledger (with a chart of accounts) and trial balance
  - control accounts (accounts receivable, accounts payable and inventory control accounts)
  - the cash (banking), sales, purchases and inventories functions of a computerised accounting package.
- Explain
  - the difference between cash and credit transactions
  - why control accounts are used to control accounts receivable, accounts payable and inventories
  - the computerised accounting processes used to determine costs of goods sold and value of inventories on hand.
- Explain the steps
  - in the accounting process and their relationship to each other
  - to check an unbalanced trial balance.
- Explain the implications of
  - GST on the recording of transactions in a business (including ABN and BAS)
  - credit transactions on the accounting process.
- Explain the interrelationships between the general ledger and control accounts.



- Synthesise transaction analysis, double entry principles and accounting processes (handwritten and/or spreadsheet) for a sole trader business to record transactions (including GST where appropriate) in the general journal incorporating opening entries and capital contributions; perpetual inventories; accounts receivable and accounts payable; purchase and sale (at book value) of assets; selling a service for cash and on credit; buying supplies for cash and on credit; purchase and sale of inventories with returns; drawings of cash and inventories; accounts receivable with receipts and accounts payable with payments: no discounts; other revenue and expenses; and correction of errors.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader business to
  - process general journal entries to the general ledger using columnar and T format ledger accounts
  - calculate and balance ledger accounts
  - prepare a trial balance.
- Synthesise using computerised accounting processes/spreadsheet and/or handwritten processes for a sole trader business to
  - set up a sole trader 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, accounts receivable, accounts payable and inventory reports and trial balance.
- Analyse and interpret for a sole trader business
  - the application of accounting concepts and principles in ledger accounts
  - individual ledger accounts
  - an aged accounts receivable report
  - inventory reports
  - a trial balance for any inconsistencies and errors.
- Create
  - sentence and paragraph responses that communicate descriptions and explanations for a sole trader business to other stakeholders
  - sentence and paragraph responses that communicate analyses and interpretations for a sole trader business to business owners.

## Unit 2: Financial reporting

In Unit 2, students explore how accounting information is used to effectively manage the finances for a sole trader business. Accrual accounting principles and processes are applied to prepare balance day adjustments at the end of the financial period to determine profit or loss and net worth in the financial statements. Ratio analysis is used to inform potential investors and business owners about the business. 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 objectives

1. Comprehend accounting concepts, principles and processes relating to end-of-period reporting and analysis of a sole trader business.
2. Synthesise accounting principles and processes relating to end-of-period reporting and analysis of a sole trader business.
3. Analyse and interpret financial data and information relating to end-of-period reporting and analysis of a sole trader business.
4. Evaluate practices of financial management relating to end-of-period reporting and analysis of a sole trader business to make decisions and propose recommendations.
5. Create responses that communicate meaning to business owners and managers of a sole trader business.

## Subject matter

### Topic 1: End-of-period reporting for today's businesses

- Describe
  - accounting period concept
  - accrual accounting
  - the end-of-year reporting process for determining profit
  - balance day adjustments and their purpose
  - closing entries
  - reversing entries
  - Statement of Profit or Loss
  - Statement of Financial Position
  - Statement of Cash Flows
  - the purpose of a bank reconciliation
  - end-of-period reporting.
- Explain the effect of closing and reversing entries.
- Explain the relationship between the going concern principle and accounting period concept.
- Explain the interrelationships between
  - the elements of the accounting equation and the Statement of Financial Position
  - the Statement of Profit or Loss and the Statement of Financial Position.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader business to
  - record balance day adjustments for prepaid expenses, accrued expenses, unearned revenue and accrued revenue
  - record closing entries
  - record reversing entries
  - prepare an adjusted trial balance
  - prepare the Statement of Profit or Loss
  - prepare the Statement of Financial Position
  - prepare a bank reconciliation statement
  - prepare a Statement of Cash Flows from a cash at bank account.
- Synthesise accounting processes to solve accounting problems (handwritten and/or spreadsheet) relating to accounting for a sole trader business, e.g. the goal may be to determine the end-of-month cash at bank balance using the bank reconciliation process and balance of GST. Students should be 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.

- Synthesise using computerised accounting processes/spreadsheet and/or handwritten processes for a sole trader business to
  - record balance day adjustments
  - generate end-of-period financial statements.
- Analyse and interpret for a sole trader business
  - the Statement of Profit or Loss relating to monthly performance
  - the Statement of Financial Position relating to assets, liabilities and owner's equity
  - 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-period reporting results for a sole trader business to make judgments and decisions, and propose recommendations about future performance — changes may be, for example, 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-period reporting to business owners or other stakeholders of a sole trader business
  - paragraph responses or a business report (extract) that communicate analyses, interpretations, evaluations, decisions and recommendations to business owners or other stakeholders of a sole trader business.

## **Topic 2: Performance analysis of a sole trader business**

- Describe
  - gross profit and net profit
  - profitability
  - liquidity
  - gross profit ratio
  - net profit ratio
  - return on owner's equity
  - turnover of inventories
  - turnover of accounts receivable
  - internal administrative and accounting controls used by a business, including credit accounts (accounts receivable and accounts payable) and inventories.
- Explain the relationship between
  - 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 impact of not implementing internal controls for credit accounts and inventories.

- Explain the effect of
  - 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.
- Synthesise ratio formulae (handwritten and/or spreadsheet) for a sole trader 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.
- Synthesise spreadsheet features and spreadsheet functions for a sole trader business to
  - graph gross profit and net profit
  - graph individual and total revenue and expenses
  - graph individual and total assets, liabilities and owner's equity.
- Synthesise accounting principles to solve goal-oriented problems (handwritten and/or spreadsheet) relating to accounting for a sole trader GST business, e.g. the goal may be to determine the gross profit ratio and net profit ratio for the financial year to inform future actions. 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).
- Analyse and interpret for a sole trader business accounting processes relating to the recording and controlling of accounts receivable, accounts payable and inventories.
- Analyse and interpret financial data and information for a sole trader 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 practices of financial management for a sole trader business to make judgments and decisions, and propose recommendations regarding
  - control of accounts receivable, accounts payable and inventories
  - profitability
  - liquidity.
- Create
  - sentence and paragraph responses that communicate descriptions and explanations to business managers and owners of a sole trader business
  - paragraph responses that communicate analyses, interpretations, evaluations, decisions and recommendations to business managers and owners of a sole trader 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 sole trader business.

## Unit 3: Managing resources

In Unit 3, students manage the resources of a sole trader business including cash, accounts receivable, non-current assets and technology. Double entry and accrual accounting principles are applied to record non-current assets (purchase, depreciation and disposal) in the life of the business. Cash budgets are produced using a spreadsheet (projecting the future) and financial statements (reporting on past performance) are produced to report comprehensively on the financial management of a sole trader 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 objectives

1. Comprehend accounting concepts, principles and processes relating to managing cash and other resources for a sole trader business.
2. Synthesise accounting principles and processes relating to managing cash and other resources for a sole trader business.
3. Analyse and interpret financial data and information relating to managing cash and other resources for a sole trader business.
4. Evaluate practices of financial management relating to managing cash and other resources for a sole trader business to make decisions and propose recommendations.
5. Create responses that communicate meaning to business owners of a sole trader business.

# Subject matter

## Topic 1: Cash management

- Describe
  - the nature of cash and cash flows
  - the purpose of a Statement of Cash Flows
  - the classifications used in the fully classified Statement of Cash Flows
  - cash flow ratios, including operating cash flow ratio and cash generating power ratio
  - internal and administrative controls for cash used by a business
  - the purpose of a bank reconciliation.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) to prepare
  - a bank reconciliation statement
  - a fully classified Statement of Cash Flows, incorporating the reconstruction of relevant ledger accounts (minimum of three accounts, with or without GST).
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) to prepare a cash budget including
  - statement of estimated receipts from accounts receivable
  - statement of GST payable and receivable.
- Synthesise spreadsheet features and spreadsheet functions to prepare a cash budget including
  - input and report areas
  - what-if analysis.
- Synthesise accounting principles and processes to solve goal-oriented problems relating to cash management for a sole trader GST business, e.g. the goal is to determine the optimum cash budget. Students should 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, cash flow statement and cash flow ratios).
- Analyse and interpret for a sole trader 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
  - the Statement of Cash Flows with horizontal and ratio analysis relating to the sufficiency of cash to cover cash flow needs and the efficiency of the enterprise to generate cash
  - a cash budget relating to the future liquidity of the business.

- Evaluate for a sole trader GST business to make judgments and decisions, and propose recommendations, relating to
  - the effectiveness of internal control practices of financial management regarding cash management
  - alternative projects and their impact on cash resources
  - alternative proposed changes to practices of financial management impacting the cash budget.
- Create a business report that communicates analyses, interpretations, evaluations, decisions and recommendations relating to cash management to business managers or owners of a sole trader business.

## **Topic 2: Managing resources for a sole trader business**

- 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 of financial management, both internal and external to the business.
- Explain the relationship between
  - historical cost principle and accumulated depreciation
  - non-current assets and negative asset accounts (accumulated depreciation).



- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader 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 and part-year calculations)
  - closing entries and balancing of relevant accounts
  - disposal of a non-current asset and recognition of gain or loss on sale.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader business to report account balances for non-current assets in the Statement of Profit or Loss and Statement of Financial Position.
- Synthesise spreadsheet features and functions for a sole trader 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; 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.
- Analyse and interpret financial data and information for a sole trader business, including
  - issues with outsourcing accounting processes
  - issues with managing data
  - issues with internal controls (non-current assets and technology).
- Evaluate for a sole trader business
  - control measures to secure business data and information to make decisions and propose recommendations for improvement
  - internal control practices of financial management to make decisions and propose recommendations regarding the management of resources
  - internal control practices of financial management 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 sole trader business
  - a business report (extract) that communicates explanations, analyses, interpretations, evaluations, decisions, and recommendations to the business managers of a sole trader business.

## Unit 4: Accounting — the big picture

In Unit 4, students bring together the complete process of preparing fully classified financial statements for a sole trader business, and an analysis and evaluation of the 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 objectives

1. Comprehend accounting concepts, principles and processes relating to fully classified financial statements and their analysis, the complete accounting process for a sole trader business and performance analysis of a public company.
2. Synthesise accounting principles and processes for a sole trader business and a public company.
3. Analyse and interpret financial data and information relating to fully classified financial statements, the complete accounting process and the performance of a public company.
4. Evaluate practices of financial management relating to fully classified financial statements, the complete accounting process and the performance of a public company to make decisions and propose recommendations.
5. Create responses that communicate meaning to the business manager or owner of a business.

## Subject matter

### Topic 1: Fully classified financial statement reporting and analysis for a sole trader business

- Comprehend and describe
  - general purpose financial statements
  - the classifications used in the fully classified Statement of Profit or Loss and the Statement of Financial Position
  - horizontal and trend analysis of financial statements
  - accounting concepts (accounting period and accounting entity) that underpin the preparation of financial statements that inform
    - 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.
- Comprehend and 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.
- Comprehend and explain the relationship between
  - asset (accounts receivable) and negative asset accounts (provision for doubtful debts)
  - the Statement of Profit or Loss, the Statement of Financial Position, and the Statement of Cash Flows.
- Synthesise accounting principles and processes to solve goal-oriented problems relating to fully classified financial statement reporting for a sole trader business, e.g. the goal may be to report the profitability and net worth of the business in order to apply for a loan
  - students should 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
    - calculations of profitability and liquidity ratios.

Students should 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).

- Analyse and interpret for a sole trader business
  - the Statement of Profit or Loss with vertical, horizontal and ratio analysis relating to performance
  - the Statement of Financial Position with vertical, 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 sole trader business
  - the effectiveness of practices of financial management to make judgments and decisions, and propose recommendations regarding monitoring business performance
  - the effectiveness of practices of financial management to make judgments and decisions, and propose recommendations regarding profitability and liquidity.
- Create
  - sentence responses that communicate descriptions and explanations to the business manager or owners of a sole trader business
  - a business report (extract) that communicates explanations, analyses, interpretations, evaluations, decisions, and recommendations to the business managers of a sole trader business.

## Topic 2: Complete accounting process for a sole trader business

- Comprehend and describe
  - balance day adjustments and their purpose
  - correction of errors
  - inventory adjustments and reasons for inventory adjustments
  - closing and reversing entries.
- Comprehend and explain the steps in the complete accounting process.
- Comprehend and explain the relationship between
  - balance day adjustments, closing entries and reversing entries in accrual accounting
  - net profit based on accrual accounting and net cash from operating activities.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader 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; no discounts; other revenues and expenses; obtaining finance; drawings of cash, inventories and other assets; perpetual inventories with cost of goods sold given; no control accounts/subsidiary ledgers
  - correct errors
  - reconstruct accounts
  - calculate and record transactions including balance day adjustments for prepaid expenses, accrued expenses, unearned revenue and accrued revenue; interest on overdue accounts; depreciation (straight-line and diminishing balance methods); provision for doubtful debts; bad debts written off and bad debts recovered; and inventory adjustments for discrepancies with consideration of lower of cost or net realisable value
  - record closing and reversing entries
  - balance accounts at the end of a period
  - prepare an adjusted trial balance.
- Synthesise accounting principles and processes to solve goal-oriented problems relating to the complete accounting process for a sole trader business, e.g. the business is converting from cash records to accrual accounting and needs the financial statements generated. Students should be provided with a combination of unstructured and unfamiliar financial data and information relating to the business records.
- Synthesise accounting principles and processes (handwritten and/or spreadsheet) for a sole trader business to prepare a fully classified Statement of Profit or Loss, Statement of Financial Position (narrative style with and without working capital, and T format) and a fully classified Statement of Cash Flows.

### Topic 3: Performance analysis of a public company

- Comprehend and describe
  - types of ratios, including profitability, liquidity, stability, cash flow ratios and ratios for companies
  - types of analysis, including ratio, vertical, horizontal and trend
  - industry benchmarks.
- Comprehend and explain
  - the differences between accounting for a sole trader and accounting for a public company
  - the ratios used to measure profitability, liquidity, stability, cash flows for a sole trader and a public company and the extra ratios specifically applicable to companies
    - profitability ratios, including gross profit ratio, net profit ratio, return on owner's/shareholders' 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, debt/equity ratio, long-term debt coverage ratio and times interest earned
    - cash flow ratios, including operating cash flow ratio and cash generating power ratio
    - extra specific ratios for companies, including EBITDA, earnings per share, price earnings ratio and dividend yield
  - the limitations that complicate the comparison of financial statements over time
  - the benefits of using vertical, horizontal, trend and ratio analysis.
- Comprehend and 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.
- Comprehend and explain the interrelationships between a fully classified Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows.
- Synthesise accounting principles and processes to calculate the following ratios for sole traders and public companies
  - profitability ratios (see formula book)
  - liquidity ratios (see formula book)
  - stability ratios (see formula book)
  - cash flow ratios (see formula book)
  - extra specific ratios for companies (see formula book).

- 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 horizontal, vertical, ratio and trend analysis relating to stability and liquidity.
- Evaluate for a public company
  - the performance against industry benchmarks to make judgments and decisions, and propose recommendations regarding the future operations and direction of the business
  - proposed changes to practices of financial management to make decisions and propose recommendations regarding the future operations and direction of the business.

# Assessment

## Internal assessment 1: Project — cash management (25%)

Students focus on a real-life accounting context for a sole trader business relating to Unit 3 Topic 1. Financial data and information for the real-life accounting context is presented as a goal-oriented problem. Students document the iterative process undertaken to develop a solution to the problem. The response is a coherent work that includes the use of technology (spreadsheet software and word processing software) to generate financial documents and a business report.

### Assessment objectives

2. Synthesise accounting principles and processes for a sole trader business to solve accounting problems relating to cash management.
3. Analyse and interpret financial data and information relating to cash management.
4. Evaluate practices of financial management relating to cash management to make decisions and propose recommendations.
5. Create a business report that communicates meaning to the business manager or owner of a business.

### Specifications

This task requires students to:

- identify the accounting goal for the sole trader business from the given stimulus
- synthesise practical responses using spreadsheeting software where relevant
- use the problem-solving model to develop a solution to achieve the goal
- analyse and interpret the financial data and information relating to the goal
- evaluate the proposed alternative solutions to achieve the goal
- prepare a business report to the business manager to communicate the proposed solution.

It is recommended that this task is designed so that students can develop a response in approximately 10 hours of class time.



## Stimulus specifications

The teacher provides:

- a novel business context including a wide range of financial data and information relating to Unit 3 Topic 1
- a goal relating to cash management and the accounting context, indicating what the business is trying to achieve
- for Item 1, financial data and information (e.g. list of account balances, cash at bank account, and bank statement) to
  - complete the bank reconciliation process for one month
  - prepare a fully classified Statement of Cash flows incorporating the reconstruction of a minimum of three relevant ledger accounts with or without GST
- for Item 2, a range of financial data and information to inform the generation of a constant (original) cash budget for at least six months, and alternative cash budgets which will allow for multiple solutions and enable the effective application of the problem-solving model to solve the goal-oriented problem
  - projected data relating to revenues and expenses, e.g. advertising, delivery vehicle expenses
  - details of practices of financial management 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

- Students can develop their responses in class time and their own time.
- This is an individual task.
- The teacher must not provide templates (electronic or hard copies) to students.

## Response requirements

- Practical solutions, including solutions generated using spreadsheet software
- Written: up to 1000 words

## Mark allocation

Criterion	Assessment objectives	Marks
Synthesising	2	12
Analysing	3	6
Evaluating	4	4
Communicating	5	3
<b>Total marks:</b>		25

## Instrument-specific marking guide

Synthesising	Marks
<b>Item 1</b>	
The student response has the following characteristics:	
<ul style="list-style-type: none"> <li>• effective application of accounting principles and processes to complete a Bank reconciliation statement</li> <li>• effective application of accounting principles and processes to reconstruct relevant ledger accounts</li> <li>• effective application of accounting principles and processes to generate a Statement of Cash Flows</li> </ul>	3–4
<ul style="list-style-type: none"> <li>• application of accounting principles and processes to complete a Bank reconciliation statement</li> <li>• application of accounting principles and processes to reconstruct relevant ledger accounts</li> <li>• application of accounting principles and processes to generate a Statement of Cash Flows</li> </ul>	2
<ul style="list-style-type: none"> <li>• inconsistent application of accounting principles and processes to complete a Bank reconciliation statement</li> <li>• inconsistent application of accounting principles and processes to reconstruct relevant ledger accounts</li> <li>• inappropriate or partial application of accounting principles and processes to generate a Statement of Cash Flows.</li> </ul>	1
The student response does not match any of the descriptors above.	0
<b>Item 2</b>	
The student response has the following characteristics:	
<ul style="list-style-type: none"> <li>• identification of significant and relevant financial data and information to effectively complete a constant cash budget (as the original budget)</li> <li>• effective application of accounting principles and processes to achieve a goal through the generation of alternative cash budgets</li> <li>• preferred budget proposed that thoroughly solves the problem</li> </ul>	7–8
<ul style="list-style-type: none"> <li>• identification of relevant financial data and information to complete a constant cash budget (as the original budget)</li> <li>• appropriate application of accounting principles and processes to achieve a goal through the generation of alternative cash budgets</li> <li>• budget proposed that effectively solves the problem</li> </ul>	5–6
<ul style="list-style-type: none"> <li>• identification of fundamental financial data and information to complete a constant cash budget (as the original budget)</li> <li>• fundamental application of accounting principles and processes to achieve aspects of a goal through the generation of alternative cash budgets</li> <li>• budget proposed that solves elements of the problem</li> </ul>	3–4
<ul style="list-style-type: none"> <li>• identification of narrow or inappropriate financial data and information to complete a constant cash budget (as the original budget)</li> <li>• rudimentary application of accounting principles or processes through the generation of alternative cash budgets</li> <li>• budget proposed that is inappropriate or provides only a partial solution to the problem.</li> </ul>	1–2
The student response does not match any of the descriptors above.	0
<b>Total: Synthesising</b>	<b>12</b>

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

Evaluating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> <li>perceptive judgments for proposed alternatives or changes relating to cash management</li> <li>thoroughly justified decisions for cash management relevant to the accounting context</li> <li>convincing recommendations to solve the goal-oriented problem for cash management pertinent to the accounting context</li> </ul>	3–4
<ul style="list-style-type: none"> <li>judgments for proposed alternatives or changes relating to cash management</li> <li>decisions for cash management relevant to the accounting context</li> <li>recommendations to solve the goal-oriented problem for cash management relevant to the accounting context</li> </ul>	2
<ul style="list-style-type: none"> <li>rudimentary or partial statements for a proposed alternative or change</li> <li>inconsistent or partial decisions</li> <li>inconsistent or partial recommendations.</li> </ul>	1
The student response does not match any of the descriptors above.	0

Communicating	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> <li>succinct, with analysis, interpretation and evaluation that logically supports the preferred solution to the goal-oriented problem</li> <li>features of the report genre are consistently demonstrated</li> <li>minimal errors in spelling, grammar and punctuation</li> </ul>	3
<ul style="list-style-type: none"> <li>conveys analysis, interpretation and evaluation related to the goal</li> <li>features of the report genre are demonstrated</li> <li>some errors in spelling, grammar and punctuation</li> </ul>	2
<ul style="list-style-type: none"> <li>conveys analysis, interpretation and evaluation related to aspects of the goal</li> <li>features of the report genre are inconsistently demonstrated</li> <li>frequent errors in spelling, grammar and punctuation.</li> </ul>	1
The student response does not match any of the descriptors above.	0

# Internal assessment 2: Examination — combination response (25%)

## Assessment objectives

1. Comprehend accounting concepts, principles and/or processes relating to managing resources for a sole trader business.
2. Synthesise accounting principles and processes relating to managing resources for a sole trader 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 sole trader business.
4. Evaluate practices of financial management relating to managing resources for a sole trader business to make decisions and propose recommendations.
5. Create a business report (extract) that communicates meaning to the business owner of a sole trader business.

## Specifications

The teacher provides an examination that:

- relates to Unit 3 Topic 2
- contains two short response questions, two practical questions and one extended response question.

## Question specifications

The examination must be aligned to the specifications provided in the table below.

Focus of question	Mark allocation	Objective	In these questions, students:
Short response — Comprehending (2 questions)	5	1	respond using paragraph responses to: <ul style="list-style-type: none"> <li>demonstrate comprehension of accounting concepts, principles and/or processes relating to managing resources.</li> </ul>
Practical response — Synthesising (2 questions)	7	2	respond using accounting principles and processes to: <p><b>Synthesising Item 1</b></p> <ul style="list-style-type: none"> <li>calculate yearly and part-year depreciation using either the diminishing balance or straight-line depreciation method</li> <li>record transactions, including closing entries in the general ledger</li> <li>prepare ledger accounts relating to the purchase, capital and other expenditure, and depreciation of two non-current assets for two consecutive financial years</li> <li>prepare two Statements of Financial Position (extracts) for two consecutive financial years</li> </ul> <p><b>Synthesising Item 2</b></p> <ul style="list-style-type: none"> <li>calculate yearly and part-year depreciation using either the diminishing balance or straight-line depreciation method</li> <li>record transactions in the asset disposal general ledger account</li> <li>prepare the Statement of Profit or Loss (extract) relating to the disposal of a non-current asset in one financial year</li> </ul>
Extended response — business report (extract) — Analysing, Evaluating and Communicating (1 question)	13	3, 4, 5	respond in a business report (extract) to one extended-response question that requires sustained analysis and evaluation of financial management

## Stimulus specifications

- The teacher provides stimulus for the practical question that includes
  - purchase, maintenance and reporting of a non-current asset
  - disposal and reporting of a non-current asset.
- The teacher provides stimulus for the extended response question that
  - has not been copied from information or texts that students have directly used in class
  - contains contextualised financial data and information relating to the control of resources for a sole trader business
  - contains financial data and information presented in authentic formats with varying levels of significance and relevance to the accounting context and question.
- The teacher may provide a template for the practical question. The template
  - may include document headings, column headings, column formatting, account names and lines
  - must not include formulas.

## Conditions

- This is an individual supervised task.
- Time allowed
  - Planning time: 15 minutes
  - Working time: 120 minutes
- Students may use technology, including
  - spreadsheet software for practical questions
  - word processing software for all other questions
  - QCAA-approved non-programmable calculator.
- Students must not
  - bring notes or other resources into the examination
  - use a computerised accounting package for this examination.

## Mark allocation

Criterion	Assessment objectives	Marks
Comprehending	1	5
Synthesising	2	7
Analysing	3	6
Evaluating	4	4
Communicating	5	3
<b>Total marks:</b>		<b>25</b>

## Instrument-specific marking guide

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

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

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

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



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

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

# Internal assessment 3: Examination — combination response (25%)

## Assessment objectives

1. Comprehend accounting concepts, principles and/or processes relating to fully classified financial statement reporting for a sole trader business.
2. Synthesise accounting principles and processes to solve an accounting problem relating to fully classified financial statement reporting for a sole trader business.
3. Analyse and interpret financial data and information relating to an accounting problem.
4. Evaluate practices of financial management relating to an accounting problem to make decisions and propose recommendations.
5. Create a business report (extract) that communicates meaning to the business owner.

## Specifications

The teacher provides an examination that:

- relates to Unit 4 Topic 1
- is a combination of short responses, practical items and extended response questions.

## Question specifications

The examination must be aligned to the specifications provided in the table below.

Focus of question	Mark allocation	Objective	In these questions, students:
Short response — Comprehending (2 questions)	5	1	respond using paragraph responses to: <ul style="list-style-type: none"><li>• demonstrate comprehension of accounting concepts, principles and/or processes relating to fully classified financial statement reporting for a sole trader business.</li></ul>
Practical response — Synthesising (1 question)	7	2	respond using accounting principles and processes to: <ul style="list-style-type: none"><li>• calculate, record transactions and report</li><li>• identify and correct five conceptual errors</li><li>• complete fully classified financial statements</li><li>• use the finalised statements to solve the goal-oriented problem</li></ul>
Extended response — business report (extract) — Analysing, Evaluating and Communicating (1 question)	13	3, 4, 5	<ul style="list-style-type: none"><li>• respond in a business report (extract) to analyse, interpret and evaluate focusing on one area of performance (profitability or liquidity).</li></ul>

## Stimulus specifications

- The teacher provides stimulus for the practical question that
  - has not been copied from information or texts that students have directly used in class
  - contains financial data and information consisting of prepayments and/or accruals, bad debts, provision for doubtful debts, depreciation and inventories
  - may be a combination of extracts of financial statements, a list of account balances, a general journal (extract), a general ledger (extract) or additional financial data and information related to the goal-oriented problem.
- The teacher provides stimulus for the extended response question 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.
- The teacher may provide a template for the practical item. The template
  - may include document headings, column headings, column formatting, account names and lines
  - must not include formulas.

## Conditions

- This is an individual supervised task.
- Time allowed
  - Planning time: 15 minutes
  - Working time: 120 minutes
- Students may use technology, including
  - spreadsheet software for practical questions
  - word processing software for all other questions
  - QCAA-approved non-programmable calculators.
- Students must not
  - use a computerised accounting package for this examination
  - bring notes or other resources into the examination.
- The teacher must, for the extended response question
  - provide a copy of the stimulus 7 days prior to the examination
  - not discuss the stimulus with students either individually or as a class
  - provide an unannotated form of the stimulus at the start of the examination.

## Mark allocation

Criterion	Assessment objectives	Marks
Comprehending	1	5
Synthesising	2	7
Analysing	3	6
Evaluating	4	4
Communicating	5	3
<b>Total marks:</b>		25

## Instrument-specific marking guide

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

Synthesising	Marks
The student response has the following characteristics:	
<ul style="list-style-type: none"> <li>• effective application of significant and relevant accounting principles and processes to identify and correct the 5 conceptual errors relating to fully classified financial statement reporting for a sole trader business</li> <li>• effective application of accounting principles and processes to accurately generate the Statement of Profit or Loss and Statement of Financial Position</li> <li>• results from the financial statements effectively used to thoroughly solve the goal-oriented problem</li> </ul>	6–7
<ul style="list-style-type: none"> <li>• appropriate application of relevant accounting principles and processes to identify and correct 3–4 conceptual errors relating to fully classified financial statement reporting for a sole trader business</li> <li>• appropriate application of accounting principles and processes to generate the Statement of Profit or Loss and Statement of Financial Position</li> <li>• solution produced that effectively solves the goal-oriented problem</li> </ul>	4–5
<ul style="list-style-type: none"> <li>• fundamental application of accounting principles and processes to identify and correct 1–2 conceptual errors relating to fully classified financial statement reporting for a sole trader business</li> <li>• application of fundamental accounting principles and processes to generate the Statement of Profit or Loss and Statement of Financial Position</li> <li>• solution produced that solves elements of the goal-oriented problem</li> </ul>	2–3
<ul style="list-style-type: none"> <li>• inconsistent application of accounting principles and processes to identify minimal conceptual errors</li> <li>• rudimentary application of accounting principles and processes to complete aspects of the Statement of Profit or Loss and Statement of Financial Position</li> <li>• inappropriate or partial solution produced.</li> </ul>	1
The student response does not match any of the descriptors above.	0

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

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

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

# External assessment: Examination — combination response (25%)

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

## Assessment objectives

1. Comprehend accounting concepts, principles and processes relating to the complete accounting process for a sole trader business and performance analysis of a public company.
2. Synthesise accounting principles and processes to solve accounting problems for a sole trader business.
3. Analyse and interpret financial data and information relating to the performance of a public company.
4. Evaluate practices of financial management relating to the performance of a public company to make decisions and propose recommendations.

## Specifications

This examination:

- relates to Unit 4 Topic 2 and Unit 4 Topic 3
- may ask students to respond using
  - multiple choice
  - practical items
  - sentences or paragraphs
- may ask students to
  - synthesise accounting principles and processes
  - comprehend, analyse, interpret and evaluate the financial statements of a public company.

## Conditions

- Time allowed
  - Planning time: 15 minutes
  - Working time: 120 minutes
- Students may bring QCAA-approved non-programmable calculators into the examination.

# Glossary

The syllabus glossary is available at [www.qcaa.qld.edu.au/downloads/senior-qce/common/snr\\_glossary\\_cognitive\\_verbs.pdf](http://www.qcaa.qld.edu.au/downloads/senior-qce/common/snr_glossary_cognitive_verbs.pdf).

## References

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- Deleo, WI & Letourneau, CA 1994, 'Use of a problem-solving model in teaching specific accounting concepts', *Journal of Education for Business*, vol. 69, no. 5, pp. 263–266.
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- Kimmel, P 1995, 'A framework for incorporating critical thinking into accounting education', *Journal of Accounting Education*, vol. 13, no. 3, pp. 299–318.
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## Version history

Version	Date of change	Information
1.0	January 2024	Released for familiarisation and planning (with implementation starting in 2025)



