

# UNIT 1 & 2 ACCOUNTING

## UNIT 1

This unit explores the establishment of a business and the role of accounting in the determination of business success or failure. It considers the importance of accounting information to stakeholders.

Students analyse, interpret and evaluate the performance of the business using financial and non-financial information. They use these evaluations to make recommendations regarding the suitability of a business as an investment.

Students record financial data and prepare reports for service businesses owned by sole proprietors – taking into the ethical considerations, including financial, social and environmental considerations, faced by business owners when making business decisions

### AREA OF STUDY

- 1) The role of accounting
- 2) Recording financial data and reporting accounting information for a service business

### OUTCOMES

**Outcome 1:** Describe the resources required to establish and operate a business, and select and use accounting reports and other information to discuss the success or otherwise of the business.

**Outcome 2:** Identify and record financial data, report and explain accounting information for a service business, and suggest and apply appropriate financial and non-financial indicators to measure business performance.

## UNIT 2

In this unit, students develop their knowledge of the accounting process for sole proprietors operating a trading business, with a focus on inventory, accounts receivable, accounts payable and non-current assets.

Students use manual processes and ICT, including spreadsheets, to prepare historical and budgeted accounting reports.

Students analyse and evaluate the performance of the business relating to inventory, accounts receivable, accounts payable and non-current assets. They use relevant financial and other information to predict, budget and compare the potential effects of alternative strategies on the performance of the business. Using these evaluations, students develop and suggest to the owner strategies to improve business performance.

### AREA OF STUDY

- 1) Accounting for and managing inventory
- 2) Accounting for and managing accounts receivable and accounts payable
- 3) Accounting for and managing non-current assets

### OUTCOMES

**Outcome 1:** Record and report for inventory and discuss the effects of relevant financial and non-financial factors, and ethical considerations, on the results of business decisions.

**Outcome 2:** Record and report for accounts receivable and accounts payable, and analyse and discuss the effects of relevant decisions, including the influence of ethical considerations, on the performance of the business.

**Outcome 3:** Record and report for non-current assets and depreciation.