

UNIT 3 & 4 ACCOUNTING

UNIT 3

This unit focuses on financial accounting for a trading business owned by a sole proprietor and highlights the role of accounting as an information system.

Students use the double entry system of recording financial data and prepare reports using the accrual basis of accounting and the perpetual method of inventory recording.

Students develop their understanding of the accounting processes for recording and reporting and consider the effects of decisions made on the performance of the business. They interpret reports and information presented in a variety of formats and suggest strategies to the owner to improve the performance of the business.

AREA OF STUDY

- 1) Recording and analysing financial data
- 2) Preparing and interpreting accounting reports

OUTCOMES

Outcome 1: Record financial data using a double entry system; explain the role of the General Journal, General Ledger and inventory cards in the recording process; and describe, discuss and analyse various aspects of accounting reports and the accounting system, including ethical considerations.

Outcome 2: Record transactions and prepare, interpret and analyse accounting reports for a trading business.

UNIT 4

In this unit, students further develop their understanding of accounting for a trading business owned by a sole proprietor and the role of accounting as an information system.

Students extend their understanding of the recording and reporting processes, with the inclusion of balance day adjustments and alternative depreciation methods. They investigate both the role and the importance of budgeting in decision-making for a business.

Students analyse and interpret accounting reports and graphical representations to evaluate the performance of a business. Using this evaluation, students suggest strategies to business owners to improve business performance.

AREA OF STUDY

- 1) Extension of recording and reporting
- 2) Budgeting and decision-making

OUTCOMES

Outcome 1: Record financial data and balance day adjustments using a double entry system, report accounting information using an accrual-based system, and evaluate the effects of balance day adjustments and alternative methods of depreciation on accounting reports.

Outcome 2: Prepare budgeted accounting reports and variance reports for a trading business, using financial and other relevant information, and model, analyse and discuss the effects of alternative strategies on the performance of a business.