

YEAR 10 – ACCOUNTING

Cash Accounting and the Balance Sheet

Accounting is the process of recording, reporting and decision-making in a business context. In this unit, students are introduced to both theoretical and practical aspects of accounting.

Students will explore the resources required to start a business, and develop an understanding of the importance of accounting in the successful operation and management of a small business.

Students will develop an understanding of the accounting elements and the skills required to prepare a Balance Sheet.

Using the single-entry accounting system, students will explore how businesses record transactions in cash journals, how businesses account for Goods and Services Tax ('GST'), and how this financial data can be used to prepare financial reports such as the Statement of Receipts and Payments.

AREA OF STUDY

- 1) Accounting for a Small Business
- 2) The Accounting Equation and Balance Sheet
- 3) Single Entry Accounting

OUTCOMES

Outcome 1: Describe the role of Accounting in the successful operation of a small business and explain the resources required for starting a small business.

Outcome 2: Explain how the Accounting Elements form the basis of the Accounting Equation and prepare a Balance Sheet for a small business.

Outcome 3: Record financial transactions for a small business using the single-entry accounting system and explain the role of the GST system.

Accounting for Profit, Budgeting and Price-Setting

In this unit, students extend their knowledge to develop an understanding of revenues, expenses and how a business can determine its profit. Student will develop the skills to prepare an Income Statement and a Cash Flow Statement; examining how these reports can be used to provide business owners with strategies to improve the profitability of the business.

Students will explore the importance of budgeting in ensuring the long-term success of a small business and identifying budget variances in order to improve financial performance.

Students will examine the strategies employed by businesses to set prices for goods and services and explore how inventory can be managed for a trading business using a perpetual inventory system.

AREA OF STUDY

- 1) Accounting for Profit
- 2) Budgeting, Price-Setting and Inventory

OUTCOMES

Outcome 1: Prepare an Income Statement and a Cash Flow Statement and, with reference to the concepts of 'revenues' and 'expenses' – explain the differences between cash and accrual accounting.

Outcome 2: Identify the role of personal and business budgeting in financial success, prepare budgeted reports identifying variances and provide advice to business owners to improve financial performance. Apply a variety of price-setting strategies to set prices for a small business and record the movement of inventory using an inventory card.