VCE Accounting

Year 11
Unit 1: Establishing and operating a service business
This unit focuses on the establishment of a small business and the accounting and financial management of the business. Students are introduced to the processes of gathering and recording financial data and the reporting and analysing of accounting information by internal and external users. The cash basis of recording and reporting is used throughout this unit.

Using single entry recording of financial data and analysis of accounting information, students examine the role of accounting in the decision-making process for a sole proprietor of a service business.

Where appropriate, the accounting procedures developed in each area of study should incorporate the application of accounting principles and the qualitative characteristics of accounting information.

Unit 2: Accounting for a trading business
This unit extends the accounting process from a service business and focuses on accounting for a sole proprietor of a single activity trading business. Students use a single entry recording system for cash and credit transactions and the accrual method for determining profit. They analyse and evaluate the performance of the business using financial and non-financial information. Using these evaluations, students suggest strategies to the owner on how to improve the performance of the business.

Students develop their understanding of the importance of ICT in the accounting process by using a commercial accounting software package to establish a set of accounts, record financial transactions and generate accounting reports.

Where appropriate, the accounting procedures developed in each area of study should incorporate the application of accounting principles and the qualitative characteristics of accounting information.

Year 12
Unit 3: Recording and reporting for a trading business
This unit focuses on financial accounting for a single activity trading business as operated by a sole trader and emphasises 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. The perpetual method of stock recording with the First In, First Out (FIFO) method is used.

Where appropriate, the accounting procedures developed in each area of study should incorporate the application of accounting principles and the qualitative characteristics of accounting information.

Unit 4: Control and analysis of business performance
This unit provides an extension of the recording and reporting processes from Unit 3 and the use of financial and non-financial information in assisting management in the decision-making
process. The unit is based on the double entry accounting system and the accrual method of reporting for a single activity trading business using the perpetual inventory recording system.

Students investigate the role and importance of budgeting for the business and undertake the practical completion of budgets for cash, profit and financial position. Students interpret accounting information from accounting reports and graphical representations, and analyse the results to suggest strategies to the owner on how to improve the performance of the business.

Where appropriate, the accounting procedures developed in each area of study should incorporate the application of accounting principles and the qualitative characteristics of accounting information.

Assessment
The award of satisfactory completion for a unit is based on a decision that the student has demonstrated achievement of the set of outcomes specified for the unit. This decision will be based on the teacher’s assessment of the student’s performance on assessment tasks designated for the unit.

Suggested Pre-requisites
There are no pre-requisites for the study of Accounting.