

ACCOUNTING

Unit 3

Financial Accounting for a Trading Business

COURSE OUTLINE:

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.

AREAS OF STUDY:

- Recording and analysing financial data
- Preparing and interpreting accounting reports

OUTCOMES:

On completion of this unit, students should be able to:

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 the accounting system, including ethical considerations.
2. Record transactions and prepare, interpret and analyse accounting reports for a trading business.

ASSESSMENT:

See Unit 4

Unit 4

Recording, Reporting, Budgeting and Decision Making

COURSE OUTLINE:

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 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. Both manual methods and ICT are used to record and report.

AREAS OF STUDY:

- Extension of recording and reporting
- Budgeting and decision making

OUTCOMES:

On completion of this unit, students should be able to:

1. Develop an understanding of the recording and reporting of financial data in the general journal and general ledger by focusing on balance day adjustments and the alternative methods of depreciating for non-current depreciable assets.
2. Prepare budgeted accounting reports and variance reports for a trading business using financial and other relevant information and model, analyse and discuss the effect of alternative strategies on the performance of a business.

ASSESSMENT:

S or N based on the demonstrated achievement of the outcomes specified above, School Assessed Coursework and end-of-year examination.