

# Accounting:

## 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, recording, reporting and analysing financial data and information used by internal and external users. Recording and reporting is restricted to the cash basis.

Students examine the role of accounting in the decision-making process using single entry recording of financial data and information for the owner of a service business.

## Unit 2: Accounting for a trading business

This unit focuses on accounting for a single activity sole trader. Using the accrual approach, students use a single entry recording and reporting of cash and credit transactions and stock. They use financial and non-financial information to evaluate the performance of a business. Using these evaluations, students suggest strategies to the owner on how to improve the performance of the business.

## 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 are introduced to the double entry system of recording using the accrual basis of accounting. The perpetual method of stock recording with First In, First Out (FIFO) method is used.

## 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 covers the accrual recording and reporting system for a single activity trading business using the perpetual inventory recording system. Students learn about the role and importance of budgeting for the business and undertake the practical completion of budgets for cash, financial performance and financial position. In this unit students evaluate the information prepared and analyse the results in order to suggest strategies to the owner.

