

## Explain and make balance sheet date adjustments and incorporate them into financial statements

**Level** 2

**Credits** 2

**Purpose** People credited with this unit standard are able to explain and make balance sheet date adjustments, and incorporate balance sheet date adjustments into financial statements.

**Subfield** Accounting

**Domain** Accounting - Generic

**Status** Registered

**Status date** 20 September 2002

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**Entry information** Open.

**Accreditation** Evaluation of documentation by NZQA.

**Standard setting body (SSB)** NZQA National Qualifications Services

**Accreditation and Moderation Action Plan (AMAP) reference** 0226

This AMAP can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

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### Special notes

- 1 Learning Programme  
This unit standard identifies some of the learning outcomes of *Accounting Curriculum for New Zealand Schools*, New Zealand Commerce and Economics Teachers Association (NZCETA), 1998. This source can be used to develop teaching programmes needed to cover some of the outcomes described in this unit standard.
- 2 Assessment Note
  - a The balance sheet date adjustments are to include: depreciation, accrued expenses, accrued income, income received in advance, and prepayments. For accrued expenses and accrued revenue, invoices are dated after balance date.
  - b The use of a worksheet to show the effect of balance sheet date adjustments on the financial statements could be used.

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## Elements and performance criteria

### Element 1

Explain and make balance sheet date adjustments.

#### Performance criteria

- 1.1 The explanation describes the purpose of balance sheet date adjustments in terms of reporting period and accrual basis.
- 1.2 Balance sheet date adjustments are calculated for given situations and incorporated into the financial statements.
- Range depreciation and three of – accrued expenses, accrued income, income received in advance, prepayments.
- 1.3 The accounting entries for balance sheet date adjustments are prepared from given data.
- Range depreciation and three of – accrued expenses, accrued income, income received in advance, prepayments.

### Element 2

Incorporate balance sheet date adjustments into financial statements.

#### Performance criteria

- 2.1 Prepare an Income Statement (by function) and a classified Balance Sheet incorporating balance sheet date adjustments.
- Range depreciation and three of – accrued expenses, accrued income, income received in advance, prepayments.

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### Please note

Providers must be accredited by the Qualifications Authority, or an inter-institutional body with delegated authority for quality assurance, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be accredited by the Qualifications Authority before they can register credits from assessment against unit standards.

Accredited providers and Industry Training Organisations assessing against unit standards must engage with the moderation system that applies to those standards.

Accreditation requirements and an outline of the moderation system that applies to this standard are outlined in the Accreditation and Moderation Action Plan (AMAP). The AMAP also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

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### **Comments on this unit standard**

Please contact the NZQA National Qualifications Services [nqs@nzqa.govt.nz](mailto:nqs@nzqa.govt.nz) if you wish to suggest changes to the content of this unit standard.