
PRESCRIPTION: 501 ACCOUNTING PRACTICES

This prescription replaces *101 Accounting Practices*.

ELECTIVE PRESCRIPTION

LEVEL	5
CREDIT	20
VERSION	1
INTRODUCED	2006
AIM	Students will record and process financial transactions and prepare financial statements and cash budgets for entities in accordance with current accounting practices.
PREREQUISITES	Recommended <i>400 Accounting Principles</i> or equivalent knowledge and skills.

ASSESSMENT WEIGHTINGS

Learning outcomes	Assessment weighting %
1. Students will understand and process transactions manually and using commercial accounting software from source documents through to financial statements for a sole trader and/or small company registered for GST on the invoice basis.	45
2. Students will process transactions (GST invoice basis) through sub-systems and demonstrate knowledge of their internal controls.	35
3. Students will understand and apply accounting to different accounting entities.	15
4. Students will prepare a cash budget incorporating GST using spreadsheet software.	5
TOTAL	100

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

ASSESSMENT NOTES

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.
2. The focus of this prescription is on completing the accounting cycle rather than external reporting requirements.
3. Learning outcome one requires that accrual based accounting encompass balance day adjustments.

4. Learning outcome two requires that non-current tangible assets include the fixed assets register and depreciation schedule.
5. For learning outcome three key element a) a reasonable coverage of entities is required, however, only key similarities and differences are necessary. Key element b) specifies an entity not included in learning outcome one.

LEARNING OUTCOME ONE

Students will understand and process transactions manually and using commercial accounting software from source documents through to financial statements for a sole trader and/or small company registered for GST on the invoice basis.

Key elements

- a) Accrual based accounting:
 - closing entries
 - reversing entries.
- b) Error correction.
- c) Financial statements:
 - income statement
 - statement of changes in equity
 - balance sheet.

LEARNING OUTCOME TWO

Students will process transactions (GST invoice basis) through sub-systems and demonstrate knowledge of their internal controls.

Key elements

- a) Sub-systems:
 - receivables/sales
 - payables/purchases
 - inventory (perpetual)
 - non current tangible assets.
- b) Prepare reconciliations manually:
 - bank
 - receivables
 - payables.
- c) Internal controls:
 - receivables/sales
 - payables/purchases
 - inventory
 - non current tangible assets.

LEARNING OUTCOME THREE

Students will understand and apply accounting to different accounting entities.

Key elements

- a) Accounting similarities and differences:
 - sole traders
 - partnerships
 - companies
 - trusts
 - not-for-profit organisations.

- b) Prepare financial statements for one of:
 - partnerships
 - trusts
 - not-for-profit organisations.

LEARNING OUTCOME FOUR

Students will prepare a cash budget incorporating GST using spreadsheet software.

Key elements

- a) Sole trader or company.