

## Achievement Standard

**Subject Reference** Accounting 2.2

**Title** Demonstrate understanding of accounting processing using accounting software

**Level** 2      **Credits** 4      **Assessment** Internal

**Subfield** Accounting

**Domain** Accounting - Generic

**Status** Registered      **Status date** 17 November 2011

**Planned review date** 31 December 2019      **Date version published** 20 November 2014

This achievement standard involves demonstrating understanding of accounting processing using accounting software.

### Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> <li>Demonstrate understanding of accounting processing using accounting software.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate in-depth understanding of accounting processing using accounting software.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate comprehensive understanding of accounting processing using accounting software.</li> </ul>

### Explanatory Notes

- This achievement standard is aligned with *The New Zealand Curriculum*, Learning Media, Ministry of Education, 2007; and is related to the material in the *Teaching and Learning Guide for Accounting*, Ministry of Education, 2010 at <http://seniorsecondary.tki.org.nz>.
- Demonstrate understanding of accounting processing* involves:
  - using an appropriate chart of accounts
  - processing frequent transactions.*Frequent transactions* relate to entries for:
  - cash receipts
  - cash payments
  - cash and/or credit sales of three different items of inventory
  - cash and/or credit purchases for each item of inventory.

*Demonstrate in-depth understanding of accounting processing* involves:

- using an appropriate chart of accounts to set-up inventory, cost of goods sold and sales accounts for each item of inventory and classifying new accounts
- processing frequent transactions and infrequent transactions.

*Infrequent transactions* relate to entries for:

- inventory returns
- sundry charges
- drawing of goods
- inventory shortage and/or losses
- purchase of an item of plant or equipment on credit
- correction of errors.

*Demonstrate comprehensive understanding of accounting processing* involves:

- using an appropriate chart of accounts to set-up inventory, cost of goods sold and sales accounts for each item of inventory and classifying new accounts for each financial element except equity
- processing frequent, infrequent, and complex transactions, and using the banking function or equivalent to split one total (eg banking total or payment total) into more than one account.

*Complex transactions* relate to entries for:

- straight line depreciation of an item of plant or equipment from end of last reporting period to date of disposal
- disposal of an item of plant or equipment for more or less than carrying amount
- correcting a complex error, where three accounts are affected such as:
  - a GST expense incorrectly entered in a non-GST expense account or vice versa
  - cash drawings incorrectly entered as a GST expense.

3 The *accounting processing* is for an entity that is registered for GST on the invoice basis and uses a computerised perpetual inventory system.

4 Conditions of Assessment related to this achievement standard can be found at <http://ncea.tki.org.nz/Resources-for-Internally-Assessed-Achievement-Standards>.

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### Replacement Information

This achievement standard replaced AS90226.

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### Quality Assurance

- 1 Providers and Industry Training Organisations must have been granted consent to assess by NZQA before they can register credits from assessment against achievement standards.
- 2 Organisations with consent to assess and Industry Training Organisations assessing against achievement standards must engage with the moderation system that applies to those achievement standards.