

Achievement Standard

Subject Reference	Accounting 2.6		
Title	Demonstrate understanding of an accounts receivable subsystem for an entity		
Level	2	Credits	3
		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 an accounts receivable subsystem for an entity.

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Demonstrate understanding of an accounts receivable subsystem for an entity. 	<ul style="list-style-type: none"> Demonstrate in-depth understanding of an accounts receivable subsystem for an entity. 	<ul style="list-style-type: none"> Demonstrate comprehensive understanding of an accounts receivable subsystem for an entity.

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 an accounts receivable subsystem* involves:
 - processing financial information for the entity's accounts receivable
 - describing elements of the entity's accounts receivable subsystem.*Processing financial information* includes:
 - accounts receivable subsidiary ledger
 - schedule of accounts receivable
 - aged debtors report.
Demonstrate in-depth understanding of an accounts receivable subsystem involves:
 - processing detailed financial information for the entity's accounts receivable
 - explaining elements of the entity's accounts receivable subsystem.

Processing detailed financial information includes entries for bad debts and/or sundry charges to debtors.

Demonstrate comprehensive understanding of an accounts receivable subsystem for an entity involves:

- processing complex financial information for the entity's accounts receivable
- justifying elements of the entity's accounts receivable subsystem.

Processing complex financial information includes journal entries for discount allowed and/or a transposition error between debtors.

3 The *entity* for this achievement standard is registered for GST on the invoice basis.

4 The *entity* may be an actual entity or a case study of an entity.

5 *Elements* of the entity's accounts receivable subsystem may include, but are not limited to:

- credit checking of potential customers
- authorisation of transactions
- internal control of documents
- accounts receivable subsidiary ledger
- statements to debtors
- aged debtors report
- reconciling the accounts receivable subsidiary ledger with the accounts receivable control account.

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

Replacement Information

This achievement standard and AS91386 replaced AS90222, AS90223, unit standard 7367, unit standard 7368, and unit standard 7369.

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.

Consent and Moderation Requirements (CMR) reference

0233