

Achievement Standard

Subject Reference	Accounting 2.1		
Title	Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems		
Level	2	Credits	4
		Assessment	External
Subfield	Accounting		
Domain	Accounting - Generic		
Status	Registered	Status date	17 November 2011
Planned review date	31 December 2020	Date version published	20 November 2014

This achievement standard involves demonstrating understanding of accounting concepts for an entity that operates accounting subsystems.

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
<ul style="list-style-type: none"> Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems. 	<ul style="list-style-type: none"> Demonstrate in-depth understanding of accounting concepts for an entity that operates accounting subsystems. 	<ul style="list-style-type: none"> Demonstrate comprehensive understanding of accounting concepts for an entity that operates accounting subsystems.

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>.

This achievement standard is related to:

- relevant parts of *New Zealand Equivalents to International Financial Reporting Standards* (NZ IFRSs) and subsequent updates
 - The New Zealand Framework (New Zealand Equivalent to the International Accounting Standards Board Framework (NZIAS) for the Preparation and Presentation of Financial Statements).
- Demonstrate understanding of accounting concepts* involves describing accounting concepts in relation to the entity.

Demonstrate in-depth understanding of accounting concepts involves explaining accounting concepts in relation to the entity and its financial elements.

Demonstrate comprehensive understanding of accounting concepts involves justifying accounting concepts by showing links between concepts, characteristics and financial element recognition in relation to the entity.

- 3 The *entity* is a sole proprietor business that operates accounting subsystems is registered for GST on the invoice basis and is either:
 - a service firm, or
 - a trading firm using a perpetual inventory system.
 - 4 *Accounting concepts* are selected from:
 - how interested parties make use of accounting information as a basis for decision making
 - purposes, components and limitations of the financial statements
 - concepts used in the preparation of financial statements
 - qualitative characteristics of accounting information
 - financial elements, characteristics and recognition criteria.
 - 5 Assessment Specifications for this achievement standard can be accessed through the Accounting Resources page found at <http://www.nzqa.govt.nz/qualifications-standards/qualifications/ncea/ncea-subject-resources/>.
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Replacement Information

This achievement standard replaced AS90220.

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