

Field Business**Review of Accounting Level 1 achievement and unit standards**

This review report was first published in November 2010 and was republished in February 2011 to advise of minor changes to each grade definition in explanatory note 2 of achievement standard 90980.

Unit standards

Subfield	Domain	ID
Accounting	Accounting - Generic	7359-7365

Achievement standards

Domain	ID	Subject reference
Accounting - Generic	90022-90028	1.1-1.7

The Ministry of Education and NZQA National Qualifications Services have completed a review of the achievement and unit standards listed above.

Date new version of report published February 2011

New Registration date November 2010

Date new versions published November 2010

Planned review date December 2014

Summary of review and consultation process

- In 2008 the Ministry of Education (MoE) and NZQA began to review achievement and unit standards in light of the revised New Zealand Curriculum (NZC). This Alignment of Standards (AoS) review also addressed duplication of outcomes, credit parity, fairness, consistency, and coherence. The AoS review was guided by the revised NZC itself and the Standards Review Guidelines. A copy of the NZC is available at <http://nzcurriculum.tki.org.nz/Curriculum-documents/The-New-Zealand-Curriculum>.

Teacher subject associations were involved in the review and draft achievement standards were the focus of wide consultation, especially with secondary schools and teachers. Extensive resources, including student exemplars, were also developed to support these standards, and are available on the MoE and/or the NZQA websites.

The review of unit standards included consultation with tertiary providers to assess continued relevance and likely future use of the standards. Unit standards that duplicate achievement standard outcomes and those without the likelihood of future tertiary use were recommended for expiry.

National consultation was undertaken in 2009, with the results analysed by Research New Zealand. The responses were generally positive.

The review of unit and achievement standards at Level 1 was completed in time for implementation in schools in 2011. Standards at Levels 2 and 3 will be implemented in 2012 and 2013 respectively.

Main changes resulting from the review

- All NZC level 6 (NZQF level 1) outcomes derived from the NZC are now assessed using achievement standards, and any unit standards are no longer linked to NZC.
- Existing achievement standards were reviewed and new achievement standards were developed to align with the NZC. See [table](#) below.
- Grading criteria for achievement standards were reviewed in accordance with the Standards Review Guidelines.
- Unit standards that recognised similar outcomes as achievement standards were recommended for expiry. See [table](#) below.

For a detailed description of the review of, and the changes to, the accounting standards see Appendix at the end of this report.

Impact on Accreditation and Moderation Action Plan (AMAP)

All new achievement standards have been registered on AMAP 0233.

Impact of changes on [NCEA Exclusions List](#)

For transition purposes, the following exclusions will apply for new achievement standards.

New achievement standard	Existing achievement or unit standard
90976	7359
90978	7361
90980	7362

Review Categories and changes to classification, title, level, and credits

The following summary shows the changes made to the standards as a result of the review. All changes are in **bold**. Where a new or a new version of an externally assessed achievement standard is registered, the following designation appears after the title [Externally Assessed].

Key to review category	
A	Dates changed, but no other changes are made - the new version of the standard carries the same ID and a new version number
B	Changes made, but the overall outcome remains the same - the new version of the standard carries the same ID and a new version number
C	Major changes that necessitate the registration of a replacement standard with a new ID
D	Standard will expire and not be replaced

Externally assessed achievement standards categorised as category C or D expire at the end of	December 2010
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Internally assessed achievement standards and unit standards categorised as category C or D expire at the end of	December 2011
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Business > Accounting > Accounting - Generic

ID	Title	Level	Credit	Review Category
7360	Process financial information to a trial balance using the double entry system	1	3	D
7363	Process financial information using a cash based system	1	3	D
7364	Manage personal finances	1	3	D
7365	Examine skills and factors in operating a small business	1	3	D
90022	Demonstrate an understanding of the conceptual basis of accounting	1	3	D
90023	Describe a method of processing financial information and analyse transactions	1	3	D
90024	Process financial information for a sole proprietor	1	4	D
90025	Demonstrate an understanding of accounting systems for entities	1	3	D
90026	Prepare financial statements for sole proprietors	1	4	D
90027	Report financial information for an individual or household, and community organisations	1	3	D
90028	Analyse and interpret information for a sole proprietor(s)	1	4	D
7359	Explain the nature of accounting and business entities	1	2	C
90976	Demonstrate understanding of accounting concepts for small entities [Externally assessed]	1	3	
90977	Process financial transactions for a small entity	1	5	New
7361	Prepare financial statements for a sole proprietor	1	3	C
90978	Prepare financial statements for sole proprietors [Externally assessed]	1	5	
90979	Prepare financial information for a community organisation's annual general meeting	1	4	New
7362	Analyse, interpret, and present the financial information of sole proprietors	1	4	C
90980	Interpret accounting information for sole proprietors [Externally assessed]	1	4	
90981	Make a financial decision for an individual or group	1	3	New
90982	Demonstrate understanding of cash management for a small entity	1	4	New

Appendix

Development of Accounting Standards

Process of Aligning Standards with the New Zealand Curriculum

The accounting matrix has been derived from the achievement objectives in the draft Teaching and Learning Guide for Accounting.

Addressing Duplication

The Level 1 achievement standards and unit standards were compared in detail to identify duplication issues. There was a significant amount of duplication identified between the current achievement and unit standards. This has resulted in the Level 1 unit standards being designated expiring. In developing the draft achievement standards relevant parts of the content of the unit standards were considered and incorporated into the achievement standards where appropriate. For example, draft achievement standard 90976, *Demonstrate understanding of accounting concepts for small entities* incorporates some of the material from unit standard 7359. This standard has been created in response to sector feedback.

Addressing Credit Parity

The credits allocated to each of the draft standards reflect the teaching and learning time of 10 notional hours per credit.

External and Internal Assessment

The method of assessment for each standard has been selected to best reflect the teaching and learning involved in relation to the content of the standard.

Standards that are internally assessed are those where the assessment opportunity for learners should not be constrained by time, resources and reference materials.

What Has Changed?

All Level 1 unit standards that duplicated outcomes of achievement standards were designated expiring.

The draft *Accounting* achievement standards do reflect some changes from the current ones but overall the outcome of the assessment remains the same.

Changes to be aware of:

AS90023 – this standard was replaced by new standards and appropriate content of this standard was redistributed amongst the new standards where the outcomes assessed in AS90023 'fit' better.

AS90027 – this standard was replaced. The two criteria from standard 90027 have been split and form part of each of the new standards 90978 and 90979.

Consultation on the draft Level 1 achievement standards resulted in feedback relating to three main aspects of the standards:

- the clarity of the step-ups between Achieved, Merit and Excellence;
- the quantitative shifts between Merit and Excellence in AS90977;

- clarification of terminology.

This information from the consultation on the initial draft standards resulted in amendments being made to improve the draft standards. These improvements are listed below.

AS90976 (1.1) Demonstrate understanding of accounting concepts for small entities

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- Sector feedback indicated that the detail in the draft Teaching and Learning Guide would be very important for Accounting and these needed to be clearly available, if not linked to the standard.

AS90977 (1.2) Process financial transactions for a small entity

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- The explanation for Achieved was enhanced and more detail included at Merit and Excellence.
- EN2: 'Trial balance' was added to 'good accounting practice' to reflect that a trial balance is part of the assessment.
- EN3: Expanded to reflect feedback and to clarify the small entity being assessed.
- The conditions of assessment have remained as closed book to ensure that students demonstrate their understanding of processing financial transactions.

AS90978 (1.3) Prepare financial statements for sole proprietors

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- 'Credit' transactions was changed to 'non-cash' transactions to reflect sector feedback that this was previously too narrow.
- The use of software was removed from the Conditions of Assessment as this did not allow students to demonstrate understanding of processing at Level 1.

AS90979 (1.4) Prepare financial information for a community organisation's annual general meeting

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- 'Credit' transactions was changed to 'non-cash' transactions to reflect sector feedback that this was previously too narrow.
- EN6: 'depreciation' was removed to reflect sector feedback that this may not be relevant for some activity and/or trading statements.

AS90980 (1.5) Interpret accounting information for sole proprietors

Version 1 of this achievement standard was republished to clarify the step up in quality between the grades. Minor amendments were made to each grade definition in explanatory note 2.

- 'Credit' transactions was changed to 'non-cash' transactions to reflect sector feedback that this was previously too narrow.

AS90981 (1.6) Make a financial decision for an individual or group

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- EN3: wording was altered to better clarify that secondary data is required to be used, while primary data is optional.

AS90982 (1.7) *Demonstrate understanding of cash management for a small entity*

- The explanations of Achieved, Merit and Excellence were expanded and altered to show clear step-ups between each grade with a consistent overall outcome.
- EN5: the number of different types of documents required to be described and explained was reduced from 5 to 4 to reflect sector feedback that the assessment was too repetitive and that the focus should be on the depth of the understanding.