

Title	Apply accounting principles and practices for a business entity		
Level	5	Credits	22

Purpose	<p>A person credited with this standard is able to apply accounting principles and practices for a business entity, in accordance with the requirements of the entity.</p> <p>This unit standard has been developed primarily for assessment within programmes leading to the Accounting strand of the New Zealand Diploma in Business (with strands in Accounting, Administration and Technology, Leadership and Management, and Project Management) (Level 5) [Ref: 2459].</p>
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Classification	Accounting > Accounting - Middle Level
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Available grade	Achieved
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Guidance Information

Assessment must be conducted in the context of a real or realistic business entity, and in light of the requirements of that entity. A *business entity* can be an organisation, or a commercial or other enterprise, not necessarily for profit, and can be a discretely managed business unit within a larger organisation.

The requirements of the entity refers to how the entity is organised, how it operates, and how it meets its objectives. The requirements must include meeting the requirements of all relevant legislation and will address such areas as the entity's:

purpose and goals/objectives,
 future development,
 external operating environment,
 internal processes, accountabilities, and relationships.

The requirements of the entity provide evidence for this unit standard.

The entity/entities and their requirements must be sufficiently complex to enable demonstration of the full range of competence for achievement of the outcome, and to meet the descriptors for level 5 in the NZQF Level Descriptors, which are available at www.nzqa.govt.nz.

Outcomes and performance criteria

Outcome 1

Apply accounting principles and practices for a business entity.

Performance criteria

- 1.1 Financial transactions are recorded and processed to adjusted trial balance, in accordance with the requirements of the entity.
- 1.2 Accounting processes are explained to demonstrate an understanding of how transactions are recorded in the accounting system, in accordance with the requirements of the entity.
- 1.3 Financial statements and reports are prepared in accordance with accounting concepts and standards and with the requirements of the entity.

 Range financial statements must include statement of profit or loss (statement of financial performance) and balance sheet (statement of financial position).
- 1.4 Accounting concepts and standards are explained in terms of how they are applied in the preparation of financial statements, in accordance with the requirements of the entity.
- 1.5 An accounting professional body’s Code of Ethics is applied in practice, and explained in terms of minimum acceptable standards of professional conduct and in accordance with the requirements of the entity.

Replacement information	This unit standard replaced unit standard 11622 and unit standard 25939.
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This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 May 2016	31 December 2023
Review	2	22 October 2020	31 December 2023

Consent and Moderation Requirements (CMR) reference	0113
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.