

Student Learning Guide

Sāmoa Business Studies Curriculum Accounting Year 13

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INTRODUCTION

This Learning Guide has been prepared to help students (and teachers) help students (and teachers) to identify the relevant sections in the two textbooks used as teaching resources for Accounting at Year 13. The two textbooks referred to in this guide are both written by Lilian Viitakangas and are *ACCOUNTING: A next step PART A* and *ACCOUNTING: A next step PART B* (second edition).

How to use this Learning Guide

The Learning Guide identifies each of the Strands and relevant Achievement Objectives in the Accounting Year 13 curriculum statement. The content that is relevant to each Achievement Objective is identified and, if appropriate, a comment is made to give further assistance. Not all Achievement Objectives are covered in the textbooks. This is identified in the guide and a suggestion is made where this is relevant.

Accounting – Year 13 Teaching and Learning Programme

It is recommended that teachers develop a teaching programme that allows for a logical and systematic way of learning about the accounting process and how financial information is presented to assist stakeholders make good and informed decisions. The textbook provides a logical order for teaching the various areas but it is recommended that teachers prepare a teaching programme which allocates time for each area of study to ensure that all achievement objectives are covered adequately and in a timely fashion. A well developed teaching programme should also include required internal assessment tasks, ensuring that the relevant topics are taught adequately before students are required to complete such tasks.

ACCOUNTING APPLICATIONS

HOW ACCOUNTING CONCEPTS AND PRINCIPLES CAN BE USED IN MAKING DECISIONS

Students will investigate and develop skills and understanding of:

How accounting concepts and principles are applied by individuals and business and community organisations when they:

Achievement Objective	Accounting: A next step – PART A	Accounting: A next step – PART B	Comments - suggestions
a. Collect, interpret and analyse household source documents;			Students to collect a selection of source documents and use for this section.
b. Review the importance and relevance of accounting concepts (<i>Accounting entity, monetary measurement, going concern, accounting period, matching, accrual basis, historical cost, materiality, prudence (conservatism), consistency, disclosure.</i>);		Pages 64 – 67 Pages 223 – 225 Page 206 Pages 7 – 8 Pages 224 - 225	CONCEPTS REVISITED The three fundamental accounting assumptions: the Going Concern (continuity assumption), the Period Reporting assumption and the Accrual Basis of accounting are discussed thoroughly. These concepts are relevant to the introduction of a new topic of Balance Day Adjustments that appears in THE ACCOUNTING PROCESS strand. It is suggested that these concepts are reviewed when this new topic is introduced, so that students are able to identify the importance of accounting concepts and how they are relevant to the practical situations. Accounting concepts are developed to assist in the presentation of financial information so that users of the information are able to make good, informed decisions. Concepts should therefore be learned through their application to situations. This will make it easier for students to see the relevance for these.
c. Identify and describe the qualitative characteristics of accounting information (<i>Relevance, reliability, understandability, comparability, timeliness, neutrality, verifiability, objectivity.</i>);	Pages 10 – 17		

<p>d. Determine tertiary education opportunities and qualifications available in the area of accounting in the Pacific region.</p>			<p>Speakers from different tertiary institutions are invited to make presentations to students on the different courses available in the area of accounting, management, economics and finance. Speakers should be given areas to focus presentation:</p> <ul style="list-style-type: none"> • Pre-requisites for entry into tertiary courses • employment opportunities after graduation • scholarships available • generic skills required for success in courses of study etc.
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FINANCIAL ACCOUNTING			
HOW ACCOUNTING CONCEPTS AND PRINCIPLES CAN BE USED IN REPORTING FINANCIAL INFORMATION			
Students will investigate and develop their skills and understanding of: <i>The reporting requirements for financial statements of business and community organisations when they:</i>			
Achievement Objective	Accounting: A next step – PART A	Accounting: A next step – PART B	Comments - suggestions
a. Describe the features, functions and limitations of financial statements for business and community organisations;	Pages 23 - 57		REVISION – PREPARING FINANCIAL STATEMENTS This section revises the preparation of financial statements learned from previous years' courses. The revised financial statements are for a retail business.
b. Prepare a columnar worksheet incorporating balance day adjustments;	Pages 36 – 49 (revision)	Pages 98 – 109 Pages 290 – 293	The worksheets that are used in the two textbooks are computer spreadsheets. Instructions are given as to how these can be set up on a computer. If students have access to a computer, then they can follow these instructions to establish a spreadsheet. A worksheet can be prepared manually by students (with help from the teacher) using the same examples and following the instructions given.
c. Prepare financial statements for business and community organisations incorporating balance day adjustments.		Pages 92 – 98 Pages 135 – 142 (Statement of Cash Flows) Pages 159 – 164 (Graphical presentation of accounting information) Pages 288 – 303	The Financial Statements for a retail business are prepared in full as an example for students to follow. Students should ignore all references to GST and the inclusion of GST in the calculations unless the teacher clearly indicates that this is required. These textbooks do not make any reference to the preparation of financial statements for community organisations. Teachers will have to use other resources to show students how to prepare financial statements for clubs and other non-profit community organisations. This part of the curriculum was covered very fully in the last unit of the Accounting Year 12 textbook. The concepts for the preparation of these statements are the same as they are for profit organisations.

FINANCIAL ACCOUNTING

HOW ACCOUNTING CONCEPTS AND PRINCIPLES CAN BE USED IN REPORTING FINANCIAL INFORMATION

Students will investigate and develop their skills and understanding of:

How financial and non-financial information of Sole Proprietors is used to make informed decisions when they:

Achievement Objective	Accounting: A next step -- PART A	Accounting: A next step -- PART B	Comments - suggestions
a. Categorise relevant ratios and percentages into measures of profitability, financial stability, liquidity and management effectiveness;		Pages 159 – 200 Pages 304 – 307	The content related to these Achievement Objectives are discussed in full in this section of the textbook. The worked examples are very well presented. Students may need help to understand some of the explanations given to explain the trends identified in the worked examples but the diagrams and cartoons used in the textbook will also be useful.
b. Analyse financial and non-financial data;			
c. Interpret and explain the trends shown by the analysis of data (comparing ratios over at least 3 years);			
d. Make recommendations appropriate for different interested parties;		Pages 201 – 209 Pages 308 – 317	It is recommended that teachers take the time to go over the worked examples given in the text so that students are then able to complete the exercises independently later.
e. Report on trends identified under the different categories given in (a) above.			

THE ACCOUNTING PROCESS			
THE FUNCTION OF BOOKS OF FIRST ENTRY IN THE ACCOUNTING PROCESS			
Students will investigate and develop their skills and understanding of: <i>The significance of the input and recording stage of the Accounting Process</i> when they:			
Achievement Objective	Accounting: a next step – PART A	Accounting: a next step – PART B	Comments - suggestions
a. Identify source documents that are used to record transactions in the financial records;	Pages 15 – 19 Pages 81 – 84 (cash receipts) Page 102 (cash payments) Pages 172 – 174 (credit sales) Pages 179 – 180 (sales returns and allowances) pages 233 – 234 (credit purchases and returns) Pages 15 – 19		Source documents are reviewed from the perspective that the information captured on them provides the input into the accounting system. GST entries should be ignored.
b. Design source documents with necessary features;			
c. Review the function of the different journals and categorise the types of transactions recorded in each.	Pages 84 – 95 (cash receipts) Pages 102 – 114 (cash payments including petty cash imprest) Pages 174 – 191 (credit sales and returns) Pages 234 – 244 (credit purchases and returns)	Pages 279 – 286 (general journal – correction of errors)	It is suggested that accounting for GST in the cash journals is including in the teaching and learning programme for year 13 but that it is ignored for all the other journals.

THE ACCOUNTING PROCESS			
THE FUNCTION OF BOOKS OF FIRST ENTRY IN THE ACCOUNTING PROCESS			
Students will investigate and develop their skills and understanding of: <i>Necessary journal entries at balance day to meet requirements of the Matching Concept</i> when they:			
Achievement Objective	Accounting: a next step - PART A	Accounting: a next step - PART B	Comments - suggestions
(a) Identify and record closing journal entries as required to prepare final statements;	Pages 49 – 56 Pages 262 – 270	Pages 115 – 119 Pages 272 – 274	The first reference (PART A) deals with closing journal entries for a service organisation. The second reference (PART B) revises closing journal entries and incorporates the entries that are required to remove the opening inventory and bring the closing inventory into the accounts.
(b) Identify and record reversal entries as required for the start of the new accounting period;		Pages 119 – 134 Pages 274 - 278	
(c) Identify, calculate and record balance day adjustments as required for the matching concept.		Pages 67 – 91 Pages 269 – 272	

THE ACCOUNTING PROCESS

THE FUNCTION OF LEDGERS AND DRAWING UP OF FINANCIAL STATEMENTS WITHIN THE ACCOUNTING PROCESS

Students will investigate and develop their skills and understanding of:

The significance of recording and processing information through ledgers when they:

Achievement Objective	Accounting: a next step – PART A	Accounting: a next step – PART B	Comments - suggestions
a. Review the recording of financial information in the General Ledger, Accounts Receivable Ledger and Accounts Payable Ledger and the balancing of these at balance date;	Pages 88 – 91; pages 104 – 106. Pages 176 – 192 (Accounts Receivable Ledger) Pages 234 – 244 (Accounts Payable Ledger)	Pages 246 – 257	Posting to the General Ledger is discussed throughout the textbooks when worked examples are used to show how the financial information is processed and included in accounting records.
b. Utilise a worksheet to assist in the preparation of final statements from ledger account balances including balance day adjustments;		Pages 98 – 114	The worksheets used throughout the textbooks refer to a computer system. This can be adapted to a manual worksheet by following the formulae given for each cell in the spreadsheet.
c. Review the use of a Chart of Accounts by business organisations;	Pages 18 – 23		
d. Compare and contrast manual and computer processing methods used in the accounting process.	Pages 36 – 48 Page 56 Pages 67 – 69	Pages 98 – 109	There is no specific section that deals directly with this area of the curriculum. Students will be expected to draw conclusions of their own, by comparing a manual system of recording financial information with a computerised system. The textbooks show how a computerised processing system would record financial information at the end of most topics in each chapter. These sections are headed up USING YOUR COMPUTER.

THE ACCOUNTING PROCESS

THE FUNCTION OF LEDGERS AND DRAWING UP OF FINANCIAL STATEMENTS WITHIN THE ACCOUNTING PROCESS

Students will investigate and develop their skills and understanding of:

The development and use of Accounting Sub-systems as appropriate control measures by business organisations when they:

Achievement Objective	Accounting: a next step – PART A	Accounting: a next step – PART B	Comments - suggestions
a. Identify and explain the principles and procedures of internal control for business organisations;	Pages 58 – 67		
b. Describe essential features for internal control systems for cash receipts and payments, inventory, accounts receivable, accounts payable, fixed assets and payroll systems;	Pages 95 – 98 (Cash receipts) Pages 114 – 118 (Cash payments) Pages 192 – 195 (Accounts receivable) Pages 244 – 247 (Accounts payable) Pages 251 – 252 (Inventory)	Pages 51 – 55 (Fixed assets) Pages 232 – 234	
c. Identify the accounting concepts and principles relevant to each sub-system described in (b) above;	Pages 5 – 21 (Accounting System) Pages 80 – 81 (Cash receipts) Pages 101 – 102; pages 114 – 115 (Cash payments) Pages 121 – 149 Pages 157 – 166 (Cash sub-system) Pages 170 – 221 (Accounts receivable) Pages 230 – 250 (Accounts payable) Pages 251 – 287 (Inventory) Pages 66 – 67 (Payroll)	Pages 5 – 56 (Fixed assets) Pages 229 – 231 (summary on all sub-systems)	The Payroll Sub-system is only mentioned in passing in the section that deals with Cash payments. It is suggested that the teacher provides additional information on the Payroll sub-system and the required internal controls. This could be supplemented with a presentation from an accounts clerk who has the responsibility of managing a payroll system – either in a small business or in a large government department or business.
d. Describe and record the necessary accounting entries required for each of the sub-systems.			

