



ACCOUNTING

TEACHING AND LEARNING SUPPLEMENT

Teaching and Learning Supplement

ACCOUNTING (ACC315116)

ADVICE TO TEACHERS

This document helps to describe the nature and sequence of teaching and learning necessary for students to demonstrate achievement of course outcomes.

It suggests appropriate learning activities to enable students to develop the knowledge and skills identified in the course outcome statements.

Tasks should provide a variety and the mix of tasks should reflect the fact that different types of tasks suit different knowledge and skills, and different learning styles. Tasks do not have to be lengthy to make a decision about student demonstration of achievement of an outcome.

COURSE SPECIFIC ADVICE

This Accounting level 3 Teaching and Learning Supplement must be read in conjunction with the Accounting level 3 course document and relevant External Assessment Specifications and Examination Guidelines.

It contains advice to assist teachers delivering the course and can be modified as required. This Teaching and Learning Supplement is designed to support teachers new to or returning to teaching this course.

Accounting 3 is a study which provides information for decision making. Almost every business and organisation needs accountants to measure performance and provide information for decisions.

Accounting 3, aims to make learners financially literate by creating an understanding of the systems and processes through which financial practices and decision-making are carried out, as well as the ethical, social and regulatory issues involved. An understanding of accounting practice assists with the discharge of accountability and in the management of financial resources. Accounting also helps learners analyse and make informed decisions about business finance. They develop skills in critical thinking, decision-making, the use of information and communication technologies and an appreciation of active and responsible citizenship. The knowledge and skills developed in accounting also enables learners to analyse their own financial position and make informed decisions based on that analysis. Many learners who study Accounting, Level 3, will go on to further study and careers in business and finance.

COURSE CONTENT

	Unit Title	Indicative Times
Unit 1	The Accounting Landscape for a Sole Trader	5 hrs
Unit 2	Recording and Controlling Financial Information	40 hrs
Unit 3	Preparing Financial Reports Using Accrual Accounting Techniques	50 hrs
Unit 4	Analysing Financial Information and Making Business Decisions	40 hrs
Unit 5	Financial Investigation	15 hrs



Unit I

Unit I is a short introduction to the accounting world as it applies to a sole trader.

UNIT I

The Accounting Landscape for a Sole Trader

This unit introduces learners to:

- the financial and accounting environment for the sole trader in Australia
- the nature of the sole trader form of business enterprise
- the internal and external users of financial information and their needs
- the nature of the Goods and Services Tax (GST).

Key Concepts:

- accounting processes
- entity
- external users
- GST
- internal users
- sole trader
- trading entity

Examples of learning activities

Learners:

prepare a brief presentation in a format such as PowerPoint, which demonstrates understanding of what a sole trader is and why a sole trader needs to be aware of accounting and accounting processes.

construct a concept map or poster of the users of accounting information and what information they require.

invite a small business owner to speak to the class about their experiences of running a business and the importance of financial information to its success.

as a class group, create a web quest task for others to complete, such as investigating the impact of GST on small businesses.

provide explanation and presentations followed by short close-ended response or multiple choice review items. These items are composed of a brief prompt that demands a single 'correct' or 'best' response which varies from a single choice, sentence to a few written points.

UNIT 2

Recording and Controlling Financial Information

This unit is about to the double entry book-keeping system and the risk management and control of cash.

This unit introduces learners to:

- the particular principles of the double-entry system
- the accounting equation, how changes impact on it and how it can be used the accounting equation to show the effect of financial transactions on the elements of financial statements



- the accounting process and the role of the components within it
- the accounting concepts and principles used to record financial data and information using manual methods and an accounting software package or application
- how to record financial data and information using manual methods and an accounting software package or application
- the importance of financial risk management and control of cash
- the accounting concepts and principles used to the record financial data and information for the risk management of cash (bank reconciliation)
- how to complete the bank reconciliation process
- how to record the Goods and Services Tax (GST) component of transactions.

Key Concepts:

- | | |
|---------------------------|----------------------|
| • account | • expense |
| • accounting equation | • general journal |
| • asset | • general ledger |
| • balance day adjustments | • liability |
| • bank reconciliation | • owner's equity |
| • cash control | • perpetual inventor |
| • chart of accounts | • proprietorship |
| • closing entries | • revenue |
| • credit | • trial balance |
| • debit | |

Specific approaches

It has been traditional to complete “recording” using the manual method in the first instance and then attempt to complete the same processes using accounting software. It is just as feasible to learn the computer process first and then deconstruct what is happening and then compete the process manually.

Examples of learning activities

Learners:

collect a range of source documents and identify the data contained in each, explaining how it will be used in the accounting system.

construct a quiz using a multimedia presentation with questions about the processes of financial reasoning and recording.

conduct applied practical exercises by synthesising data, information and situations. Approaches may include but are not limited to:

- processing and completing accounting equation exercises
- processing and recording of financial information in to the general journal
- processing and posting of financial information into general ledger accounts
- processing and completing bank reconciliations.



prepare a checklist of internal control methods a small business could use to safeguard its asset 'cash'.

play the board game Monopoly with students designing their own records and making records of each player's transactions.

create a glossary of appropriate accounting terms.

prepare a checklist of internal control methods a small business could use to safeguard its assets.

UNIT 3

Preparing
Financial
Reports Using
Accrual
Accounting
Techniques

This unit is about the accrual accounting system and the preparation of fully classified income statements and balance sheets.

This unit introduces learners to:

- the relevant accounting concepts, assumptions, principles and qualitative characteristics
- how to prepare financial reports from a list of account balances and balance day adjustments using accrual accounting system, both manually and digitally
- how to extract an income statement and balance sheet from an accounting software package or application.

Key Concepts:

- accounting assumptions
- qualitative characteristics
- balance day adjustments
- inventories
- perpetual inventory system
- non-current assets
- depreciation
- property
- plant and equipment assets
- capital expenditure
- revenue expenditure
- depreciation
- bad and doubtful debts.

Examples of learning activities

Learners:

prepare a presentation using PowerPoint to explain the advantages and disadvantages of using a commercial accounting software package compared to a manual recording and reporting system.

develop a series of questions and answers to be used in a student quiz with questions about recording financial data and reporting accounting information.



apply practical processes by synthesising data, information and situations. This involves the processing and reporting of financial data using both manual and digital methods.

create consequence charts. A consequence chart is used to record what students believe to be the likely consequences of a decision or action. Charts can take different forms and enable students to explore cause and effect relationships, alternative consequences or the likely consequences of alternative actions or decisions, for example:

You are the supervisor of accounting trainees at an accounting firm. Part of your role is to give full and clear explanations of accounting processes to the trainees.

In your role as supervisor, draw a consequence chart for each of the following. Your consequence chart should identify the accounting assumption or principle or qualitative characteristic that has been breached, a brief explanation why it has been breached, and a likely consequence or implication of that breach.

Other scenarios may include:

A business owner purchases a holiday package worth \$12 000 for himself and his family and records it as an expense of the business.

John and his partner purchased equipment two years ago. They used the straight-line depreciation method at the end of the first year, but have used the diminishing balance depreciation method this year.

Hire-by-You rents home entertainment systems to customers under contract terms ranging from six to 24 months. Customers pay the hire charge monthly. The business records the total amount paid for all hire contracts as revenue for the month in which the contracts are signed.

The Tranmere Service Station records its stock of petrol in litres in the Balance Sheet.

UNIT 4
Analysing
Financial
Information
and Making
Business
Decisions

Unit 4 is about gathering and manipulating data to use for making decisions about the business.

This unit introduces learners to:

- the formulae used in accounting to analyses financial reports
- how to calculate and interpret these financial ratios
- the use of financial ratios in number, tabular, graphical and chart formats
- the preparation and analysis of cash flow statements using manual and digital methods
- the preparation and analysis of cash budgets using manual and digital methods



- how to draw reasoned conclusions about business performance
- how to make valid recommendations to users of accounting information

Key Concepts:

- financial information,
- non-financial information,
- qualitative information
- profitability
- liquidity
- financial stability
- efficiency
- cash flow
- operating activities
- investing activities
- financing activities
- cash budget
- finance
- risk
- return

Specific Approaches:

Graphical presentations of data to assist analysis is increasingly important in business and is important differentiation for visual learners.

Examples of learning activities

Learners:

prepare a poster which explains the difference between risk and return.

undertake explanations and presentations followed by short close-ended response or multiple choice review items to share with other learners.

analyse the performance of a business over three (3) reporting periods and against industry averages and prepare a report suggesting strategies to improve the business performance.

use the following key accounting terms to prepare a mind map to identify and display their relationships: asset turnover, balance sheet, benchmarks, budgeting, cash flow cover, cash flow turnover, debt ratio, debtors turnover, efficiency, gross profit margin, income statement, liquidity, net profit margin, non-financial information, profitability, quick asset ratio, return on assets, return on owners investment, stock turnover, strategies for improvement, trends, working capital ratio.

In groups, complete a cash budget exercise involving a significant building or non-current asset purchase by the business. The outcome of the cash budget would be a shortage of funds at the end of the final month. Each group would need be given a different plan of action by the owner to evaluate and present to the class involving +, - and. The possible options could be do nothing, forestall or borrow (overdraft or short-term loan, leasing, mortgage depending on the item).

Use charts and graphs prepared from financial reports provided in case study material, to suggest and explain strategies the owner could use to improve business performance.



UNIT 5
Financial
Investigation

This unit focuses on students undertaking an independent investigation into one of the financial topics listed in the course document. They will apply the inquiry approach as outlined in the course document to their study of a real-world situation.

Key Concepts:

- accounting process
- external users
- GST
- internal users
- sole trader

Examples of learning activities

As this unit has a strong research component, it is important that learners demonstrate their capacity to undertake an independent financial investigation. Learners need to demonstrate inquiry skills including planning and organising, defining and questioning, researching analysing and evaluating, reflecting and communicating. The links between these elements need to be made explicit by teachers in their guidance of learners.

Learners should explicitly use the following table as a guide to ensure that all elements of the inquiry are undertaken.

Planning and organising	What time frame am I working to? What time, resources and equipment do I need? What steps do I need to undertake? What do I need to negotiate with my teacher?
Defining and questioning	What is my topic? What does the focus and key ideas tell me? What do I need or want to know about it? What do I already know about it?
Researching	What primary and/or secondary resources can I use? How do I know the information is valid and reliable?
Analysing and evaluating	How is the information relevant to the question? What other information do I need? What parts support/do not support my task? What conclusions can I draw about the current situation?
Reflecting	What solution have I found? What else is important? What recommendation would I make? What have I learnt that can inform future learning?



Communicating	<p>What is my main point?</p> <p>What is my audience and what format will I use?</p> <p>What is my decision/conclusion?</p> <p>What accounting and financial terms, concepts and ideas do I need to use?</p> <p>Have I used these appropriately?</p>
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Learners may require specific and scaffolded support from teachers in order to engage with this inquiry task. While teacher review of written work is a necessary component of a learners successful completion of this unit it is not sufficient.

The steps involved in the inquiry could include the following:

- generate a 'need to know' with learners about the two possible inquiries by discussing the topics for investigation, negotiating the topic and generating focus questions and topical issues relating to the topic linked to current media coverage of the topic.
- explore, orally and/or in writing, learner perception through question to establish prior knowledge, discussion personal/group values, attitudes and perceptions related to the topic, examining views in the traditional and social media.

SUPPORTING STUDENT RESPONSES AND ELABORATIONS

The inquiry model is a circular and dynamic interrelationship between planning, teaching and learning, and assessment. It is important that during the investigation learners should be able to demonstrate a degree of independence in the inquiry process.

It is important that learners receive an introduction to an issue, topic or concept to strengthen their background knowledge and understanding which will be further developed through the intensive exploration of the issue. Learners need to be able to demonstrate capacity for economic interpretation, analysis, evaluation and synthesis.

There should be a strong emphasis on assessment for learning where both the teacher and learner use understandings about progress to inform the development of the inquiry. This takes place in an on-going, continuous and cumulative manner during learning, not simply at the end.

Assessment as learning, where the inquiry itself contributes to growth in learner understanding, through reflecting upon and monitoring their own progress, allows them to inform their future learning goals and to gain an awareness of their individual learning styles.

Specific strategies that teachers can use to elicit student responses while checking for understanding include:

Feedback

Pivotal to formative assessment is the feedback loop which helps learners to improve and develop and teachers should plan effectively to support this. It comprises three concepts:

- Feed up – where is the learner going?
- Feed back – how is the learner going?
- Feed forward – where to next and what must the learner do to get there?



Mind-mapping

A mind map is a diagram used to visually organize information. A mind map is often created around a single concept, drawn as an image in the centre of a blank landscape page, to which associated representations of ideas such as images, words and parts of words are added. Major ideas are connected directly to the central concept, and other ideas branch out from those. A mind map is an ideal tool to use in the questioning phase of the inquiry process.

Brainstorming

Brainstorming is sometimes called applied imagination and combines a relaxed, informal approach to problem solving with lateral thinking. It encourages people to come up with thoughts and ideas that can, at first, seem a bit crazy. Some of these ideas can be crafted into original, creative solutions to a problem, while others can spark even more ideas. This helps to get people unstuck by "jolting" them out of their normal ways of thinking. Brainstorming can be particularly useful in skill steps 4 and 5 of the inquiry model.

Verification folio

In assisting with the requirements for academic integrity both teachers and learners should undertake a collaborative process to achieve this goal. Teachers should allow class time in which learners undertake components of the work requirement and also to provide for verification. Processes may include:

Written feedback, including:

- Investigation checklists
- Using teacher observation sheets for drafts and referencing
- Making annotated notes in responses to issues emerging during research and drafting.
- Learners are expected to complete evidence, in hard or digital copy, that the work they have completed is their own. This could comprise:
 - Copies of emails
 - The keeping of a journal.
 - Working notes and jottings
 - Copies of research papers and drafts
 - Evidence of research, including collection and sorting of data.

COURSE APPENDICES

The course document provides ten (10) Appendices which are integral to the course. They are:

- Glossary
- General Journals
- General Ledger Accounts
- Balancing Accounts
- Income Statement Template and Balance Sheet Template
- Disposal of Non-Current Assets (Simplified Method)
- Bad and Doubtful Debts (Simplified Method)
- Cash Flow Statement Template
- Schedule of Collections from Accounts Receivable Template and Cash Budget Template
- Formulae Sheet



Glossary

This is a list of terms used in the standards and throughout the course document and their meanings. Teachers should refer to these when interpreting the expectations of student performance against the standards for each criterion.

General Journals

This presents the format and correct entry of transactions in the General Journal which is suggested for the course and used in the Examination Answer Booklets. Teachers should provide this format for use by students throughout the year with class exercises.

General Ledger Accounts

This presents the format and for accounts in the General Ledger which is suggested for the course and used in the Examination Answer Booklets. Either the T-account or Three-column format is included. Teachers should provide this format for use by students throughout the year and with internal assessments.

Balancing Accounts

This presents the format for T-accounts in the General Ledger which is suggested for the course and used in the Examination Answer Booklets. Teachers should provide this format for use by students throughout the year with class exercises.

Income Statement and Balance Sheet Templates

This is the format for the Income Statement and Balance Sheet suggested for the course and used in the Examination Answer Booklets. Each has multiple columns. Teachers are able to use as many columns as they wish but their use must be consistent within the individual reports. Teachers should provide this format for use by students throughout the year and with internal assessments.

Disposal of Non-Current Assets (Simplified Method)

This is the process to be used in this course and in the External Examination. Teachers should provide this format for use by students throughout the year with class exercises.

Bad and Doubtful Debts (Simplified Method)

This is the process to be used in this course and in the External Examination. Teachers should provide this format for use by students throughout the year with class exercises.

Cash Flow Statement Template

This is the format for the Cash Flow Statement suggested for the course and used in the Examination Answer Booklets. Teachers should provide this format for use by students throughout the year and with internal assessments.

Schedule of Collections from Accounts Receivable Template and Cash Budget Template

This is the format for these two items suggested for the course and used in the Examination Answer Booklets. Teachers should provide this format for use by students throughout the year and with internal assessments.

Formulae Sheet

This is the formulae required for this course. Students will be provided with a copy in the examination. Teachers should provide a copy for use by students throughout the year and with internal assessments.

RESOURCES

Online support materials are provided for each subject and updated regularly on the XXXXX website (www.tas.gov.au).



Examples of support materials are sample scope and sequence documents, annotated assessment samples, annotated student responses, annotations of prescribed texts and recommended resource materials.

Accounting software

You must use an industry standard accounting system software application and suitable hardware to enable the efficient operation of such applications.

There are many packages and programs available including those listed below. These programs and packages are continually being updated and providers should be aware of these changes. Examples include:

- MYOB (includes a Student Edition and operates on both MACs and PCs)
- Xero
- Quickbooks

Calculators

For information regarding the use of a calculator when studying this course, refer to the current TASC Calculator Policy. This policy is available at:

http://www.tasc.tas.gov.au/4DCGI/_WWW_doc/276234/RND01/2015_Calculator_Policy_&_List.pdf



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