Accounting

LEVEL 3	15 TCE CREDIT POINTS
COURSE CODE	ACC315116
COURSE SPAN	2016 — 2026
READING AND WRITING STANDARD	NO
MATHEMATICS STANDARD	YES
COMPUTERS AND INTERNET STANDARD	NO

This course was delivered in 2023. Use A-Z Courses to find the current version (if available).

Financial matters affect every member of our society

Through engagement with Accounting Level 3, learners develop an understanding of the fundamentals on which accounting and financial management are based. In our current economic environment, where small businesses are the largest employers, many learners will find themselves self-employed or working in small business and there is a high probability that they will have to engage in some form of accounting practice. Small businesses account for almost 96 percent of the count of all actively trading businesses and 46 percent of total private sector industry employment (Department of Industry, Innovation, Science, Research and Tertiary Education (2012) Australian Small Business Key Statistics and Analysis.) Accounting Level 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 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 and the use of information and communication technologies and an appreciation of active and responsible citizenship. The knowledge and skills developed in accounting also enables them 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 Description

Accounting is an information system that provides financial and other information for making and evaluating decisions about the allocation of resources of a business. It involves recording, reporting, analysing and interpreting financial data and accounting information which is then communicated to internal and external stakeholders for decision making purposes.

This course focuses on fundamental knowledge and procedures for a single-activity sole trader operating a trading business under the perpetual inventory system.

Rationale

Financial matters affect every member of our society. Through engagement with Accounting Level 3 learners develop an understanding of the fundamentals on which accounting and financial management are based. In our current economic environment, where small businesses are the largest employers, many learners will find themselves self-employed or working in small business and there is a high probability that they will have to engage in some form of accounting practice. Small businesses account for almost 96 percent of the count of all actively trading businesses and 46 percent of total private sector industry employment (Department of Industry, Innovation, Science, Research and Tertiary Education (2012) *Australian Small Business Key Statistics and Analysis.*)

Accounting Level 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 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 and the use of information and communication technologies and an appreciation of active and responsible citizenship. The knowledge and skills developed in accounting also enables them 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.

Aims

Accounting Level 3 aims to develop learners':

- financial knowledge: learners describe the terms, concepts and principles that are fundamental to accounting and other financial procedures
- financial reasoning: learners apply appropriate accounting and financial concepts and processes to record and report financial information to meet business needs
- financial decision-making: learners select, use and interpret accounting and financial information to make decisions for business purposes
- financial communication: learners select and use financial terminology and language conventions to convey meaning to stakeholders
- financial inquiry skills: learners develop skills in the inquiry method of learning as they apply them to a financial inquiry.

Learning Outcomes

On successful completion of this course, learners will be able to:

1. describe the terms, concepts and principles of accounting and finance
2. apply double-entry accounting terms, concepts and processes to record financial data and for financial risk management and control of cash
3. apply accrual accounting terms, concepts and processes to select and organise data to prepare financial reports for business purposes
4. select, use and interpret financial data and information, draw reasoned conclusions and make logical decisions, judgments and recommendations for business purposes
5. use a range of appropriate technologies to record, report and interpret financial data and information
6. communicate financial ideas and information in ways that are suitable for the business environment and for purpose and audience, including the use of appropriate information and communication technologies
7. apply relevant accounting and financial ideas, practices, processes and concepts and inquiry skills to plan and undertake a financial investigation
8. identify the social, regulatory and ethical influences on financial recording, reporting and decision-making.

Pathways

Business Studies - Foundation Level 2 provides a pathway to this course.

Accounting Level 3 introduces learners to the environment of accounting and establishes a foundation for tertiary study in accounting and finance and further education, training and employment in finance and management across a wide range of businesses and in their personal lives.

Accounting Level 3 complements vocational education and training (VET) pathways in Finance Services, such as Certificate III in Accounts Administration (FNS30315).

Resource Requirements

Providers of this course will ensure learners have access to 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 must be aware of these changes.

- MYOB (includes a Student Edition)
- Xero
- Quickbooks.

For information regarding the use of a calculator when studying this course, refer to *'What can I take to my exam?'* for the current TASC Calculator Policy.

Course Size And Complexity

This course has a complexity level of 3.

At Level 3, the learner is expected to acquire a combination of theoretical and/or technical and factual knowledge and skills and use judgement when varying procedures to deal with unusual or unexpected aspects that may arise. Some skills in organising self and others are expected. Level 3 is a standard suitable to prepare learners for further study at tertiary level. VET competencies at this level are often those characteristic of an AQF Certificate III.

This course has a size value of 15.

Course Delivery

- Units 1 – 4 are usually taught in sequence. Unit 5 may be introduced during Unit 2 and taught concurrently or may be left until after Unit 4
- Recommended time spent on each unit is specified in brackets
- A Glossary of terms used in the standards and throughout the course document is provided in Appendix 1
- Formulae to be used in this course are provided in Appendix 10.

Course Requirements

The storing, processing and accessing of digital data and information are now essential parts of current accounting practice. The use of technology in accounting is, therefore, essential in this course.

Learners must use:

- an accounting software package or application, integrated across Units 2–4, to:
    - establish a computerised accounting system, including GST and perpetual inventory
    - record financial data (including balance day adjustments)
    - prepare an income statement and balance sheet
    - interpret reports using the accounting package (if a feature of the package or application)
- spreadsheets to record and report financial data and information and to perform calculations and create charts to assist with the decision-making process. These will involve the use of formulae, separate worksheets and design and formatting.

Course Content

Accounting Level 3 is divided into 5 **compulsory** units of study:

Unit 1: The Accounting Landscape for a Sole Trader (5 hours)
Unit 2: Recording and Controlling Financial Information (40 hours)
Unit 3: Preparing Financial Reports Using Accrual Accounting Techniques (50 hours)
Unit 4: Analysing Financial Information and Making Business Decisions (40 hours)
Unit 5: Financial Investigation (15 hours)

UNIT 1: THE ACCOUNTING LANDSCAPE FOR A SOLE TRADER (5 HOURS)

This unit introduces the learner to the landscape of accounting in Australia for the sole trader form of business enterprise. It focuses on who may use accounting information and what type of information they require. It introduces learners to the Goods and Services Tax and the legal obligations of a sole trader. Unit 1 provides the terminology, concepts and principles which are then applied in the other units of study.

Financial knowledge
1.1 Introduction to accounting
• Role of accounting and the accounting process • Influences on the conduct of accounting in Australia, e.g. the Australian Accounting Standards Board Framework, professional associations, e.g. CPA Australia (basic coverage only) • Social, environmental and ethical issues that influence decision-making by owner/managers – the costs and benefits to small business of engaging in responsible behaviour, e.g. impact on the environment/sustainability/resource conservation, technological developments, non-disclosure or distortion of information, corporate social responsibility, sponsorship, taxation responsibility, codes of conduct (basic coverage only).
1.2 The sole trader form of business organisation
• Definition and characteristics • Ability to raise capital or borrow funds • Legal and/or accounting entity • Advantages and disadvantages.
1.3 The users of financial and accounting information

• Main internal users – owner(s) and managers, employees
• Main external users – banks, present or potential creditors, customers, employees and trade unions, ATO, general public
• Main uses made of the accounting information – uses depend on the user, e.g.
  ○ present owner or manager – should an advertising campaign be undertaken?
  ○ banks – should a loan or overdraft be granted?
  ○ creditors – should credit be extended?
  ○ ATO – is the business paying appropriate levels of tax?

1.4 The Goods and Services Tax (GST)

• Definition of 'GST'
• GST legal requirements for a sole trader
• Principles and features of GST:
  ○ GST free supplies, taxable supplies and input taxed supplies
  ○ accounting and reporting for GST including the BAS
• Relevant documents – tax invoices
• The Australian Business Number (ABN) system.

UNIT 2: RECORDING AND CONTROLLING FINANCIAL INFORMATION (40 HOURS)

The focus for this unit is the use of double-entry accounting to record transactions for a sole trader operating a trading business under the perpetual inventory system with amounts given for cost of goods sold. Learners will record transactions using manual methods and an accounting software package or application. They then apply accounting concepts and principles to the recording of financial data and information for the risk management of cash, using both manual and digital methods.

Financial Knowledge	*Financial reasoning: recording*	
2.1 The double entry accounting process		

• The principle of the double entry system
• The rules for debit and credit for the elements of accounting
• The accounting equation
  ○ the nature and examples of the elements of the equation: assets, liabilities, owner's equity, revenue and expenses
  ○ the effects of transactions on the accounting equation – complete
  ▪ **simple problems** – solve problems with all data and information provided. Data and information is straightforward
  ▪ **complex problems** – solve problems that include data and information not previously encountered or with the owner's equity missing so that their understanding of interrelationships is drawn upon
• The accounting process or cycle
  ○ the flow of accounting data (i.e. source documents → journal(s) → general ledger → trial balance → balance day adjustments → closing entries → financial statements → decision making)
• The function of source documents in the flow of accounting data (completion of source documents is not required).		

2.2 The general journal		

Note:&
• Only entries under the perpetual inventory system given the cost of goods sold are expected. There is no expectation to teach either inventory costing systems or the periodic inventory method
• Transactions to include GST where appropriate
• Format for entries in the General Journal (Refer to Appendix 2).
	• Prepare general journal entries for simple transactions:
	  ○ purchase of inventories on credit
	  ○ purchase returns on credit
	  ○ cash receipts
	  ○ cash payments
	  ○ drawings of cash
	  ○ drawings of inventories
	  ○ correction of errors.
		• Prepare general journal entries for complex transactions:
		  ○ opening entry with multiple items
		  ○ drawings of cash and inventories (in one transaction)
		  ○ sale of inventory for cash and credit
		  ○ sales returns for cash and credit
		  ○ GST.

Financial knowledge	*Financial reasoning: recording*
2.3 The general ledger	

• The need for general ledger accounts
• The purpose of the chart of accounts.
	• Post transactions from the general journal to the general ledger
	  ○ **simple** entries – involve transactions requiring one debit entry and one credit entry only
	  ○ **complex** entries – involve two entries for a single transaction or multiple debit and/or credit entries for a single transaction (Refer to Appendix 3 for General Ledger account templates)
	• Determine the balance of a general ledger account (NB. either the 'T' format or columnar format can be used. Refer to Appendix 4 for T-account balancing methods).

2.4 The trial balance	
• Purpose of a trial balance • Errors disclosed and not disclosed by a trial balance.	• Prepare a trial balance from a list of account balances.
2.5 Completing the accounting cycle (explanation and demonstration only)	
• The need for closing entries for revenue and expense accounts to either the trading and profit and loss accounts in the general ledger • The need to close the profit and loss account to the capital account • The need for asset, liability and owner's equity accounts to begin the next accounting period with their opening balances.	
2.6 Risk management and control of cash: Bank reconciliation	

• Importance of cash to business viability
• Measures to control cash
• Advantages of bank reconciliation
• Reasons why a business's general ledger cash at bank account balance at the end of a month may differ from the bank's balance (as per the bank statement).
	• Complete the bank reconciliation process:
	  ○ **simple problems** – solve problems with debit bank balances in the bank statement and the cash at bank account, all data and information provided, including outstanding items from previous bank reconciliation statements. Data and information is straightforward
	  ○ **complex problems** – solve problems but with a wider range of data and information provided such as errors and omissions and credit bank balances.

UNIT 3: PREPARING FINANCIAL REPORTS USING ACCRUAL ACCOUNTING TECHNIQUES (50 HOURS)

The focus for this unit using accrual accounting to prepare financial reports (income statements and balance sheets) for a sole trader operating a trading business under the perpetual inventory system with amounts given for cost of goods sold. Learners address a range of balance day adjustments and prepare the reports using both manual and digital methods.

Financial Knowledge	***Financial reasoning: recording***	***Financial reasoning: reporting***
3.1 Accrual accounting		
• The difference between cash and accrual accounting.		
3.2 The assumptions, principles and qualitative characteristics that underpin accounting reports		
• Accounting Assumptions and principles – Going Concern (Continuity) assumption, Historical Cost (Objectivity) assumption, Accounting Entity assumption, Monetary Assumption, Accounting Period assumption, Matching principle • Qualitative Characteristics – Comparability, Reliability, Relevance, Understandability, Materiality.		
3.3 The classification system for revenue, expenses, assets and liabilities by nature and function		
• Classification system for each element as per the Income Statement and Balance Sheet (Refer to Appendices 5.A and 5.B).		
3.4 Income Statements and Balance Sheets		
• The need for balance day adjustments at balance date, such as	• Prepare general journal entries and post to the general ledger for the	• Use a trial balance with balance day

○ accrued expenses ○ prepaid expenses/stocks of supplies ○ revenue received in advance/prepaid revenues/unearned revenue ○ accrued revenue.	following: ○ **simple** entries ■ accrued expenses ■ prepaid expenses/stocks of supplies ■ revenue received in advance/prepaid revenues/unearned revenue ■ Accrued income ■ GST Clearing ○ **complex** entries ■ any adjustment being written in a way that may not be seen in prior learning.	adjustment information, prepare a fully classified and presented: ○ Income Statement ○ Balance Sheet *Note*: Templates are provided (Refer to Appendices 5.A and 5.B).
3.5 The impact of inventories		
• Definition of the term 'inventories' and their importance to a business • The perpetual inventory system • The significance of the stock-take in the perpetual inventory system. *Note*: lower of cost or net realisable value is not required	• Prepare the general journal entry and post to the general ledger for an inventory adjustment (**complex** entry).	• Use a trial balance with balance day adjustment information, to prepare a fully classified and presented: ○ Income Statement ○ Balance Sheet *Note*: Templates are provided (Refer to Appendices 5.A and 5.B).

Financial Knowledge	Financial reasoning: recording	Financial reasoning: reporting
3.6 The impact of non-current assets		
• Definition of the term 'non-current assets' and the types of assets included in this classification • The nature of 'property, plant and equipment' non-current assets • The distinction between capital expenditure and revenue expenditure • The purpose of depreciation (cost allocation) and that it does not set aside funds for replacement • The concepts of original cost, scrap or residual value, accumulated depreciation and written down value (net asset or carrying value) • Determining the cost of a depreciable non-current asset • Identifying the more appropriate method of depreciation to apply ○ Straight-line ○ Reducing/diminishing balance • Calculating depreciation using both the straight line and diminishing balance	• Prepare a general journal entry to record the purchase of property, plant and equipment assets on credit and post to the general ledger (**simple** entry) • Prepare a general journal entry to record depreciation and post to the general ledger ○ **simple** adjusting entries: ■ depreciation of a new asset using either method ■ depreciation of an existing asset using the straight line method ○ **complex** adjusting entries: ■ depreciation of a new asset for a part period ■ depreciation of an existing asset using	• Use a trial balance with balance day adjustment information, to prepare a fully classified and presented: ○ Income Statement ○ Balance Sheet *Note*: Templates are provided (Refer to Appendices 5.A and 5.B).

method (Formulae – Refer to Appendix 10) • Calculating the gain or loss on disposal of non-current assets and classify the gain as revenue and the loss as an expense in the Income Statement. (Refer to Appendix 6).	the diminishing balance method *Note*: Journal entries and posting to the ledger for Disposal or Gain and Loss on Disposal accounts are not required.	
3.7 The impact of accounts receivable		
• Nature of bad and doubtful debts and the processes a business can take to gain payment from a debtor.	• Prepare general journal entries to account for bad and doubtful debts o writing off bad debts (**simple** entry) o increasing or decreasing the Provision for Bad and Doubtful Debts (**complex** entry) *Note*: You are required to use the method in Appendix 7.	• Use a trial balance with balance day adjustment information, to prepare a fully classified and presented: o Income Statement o Balance Sheet *Note*: Templates are provided (Refer to Appendices 5.A and 5.B).

UNIT 4: ANALYSING FINANCIAL INFORMATION AND MAKING BUSINESS DECISIONS (40 HOURS)

The focus of this unit is for learners to understand the importance of preparing and analysing financial information for the purposes of internal management. They are introduced to the analytical tools of ratio analysis, cash flow statements and cash budgets. Learners use both manual and digital methods to analyse financial data and information, draw conclusions about business performance and make recommendations to users of accounting information.

Financial knowledge	***Financial reasoning: reporting***	***Financial decision-making***
4.1 Information used in making financial decisions		
• Financial – directly or indirectly from financial reports • Non-financial – benchmarks, staff turnover, market size and share, current interest rates (simple treatment only) • Qualitative information – social, legal, regulatory, ethical, environmental, short-term versus long-term strategies (basic treatment only).		
4.2 Ratio analysis		
• Purpose of ratios for o profitability o liquidity o financial stability o efficiency • Overview of the limitations of the Income Statement and Balance Sheet, e.g. o historic cost accounting o lack of comparability between businesses/entities o lack of disclosure.		• Select and calculate ratios to interpret the income statement and balance sheet of sole traders (including comparative Income Statements and Balance Sheets for at least three years) to assess: o profitability o liquidity o financial stability o efficiency **Simple** – solve problems with all data and information provided. Data and information is straightforward **Complex** – solve problems where relevant data needs to be selected and classified.

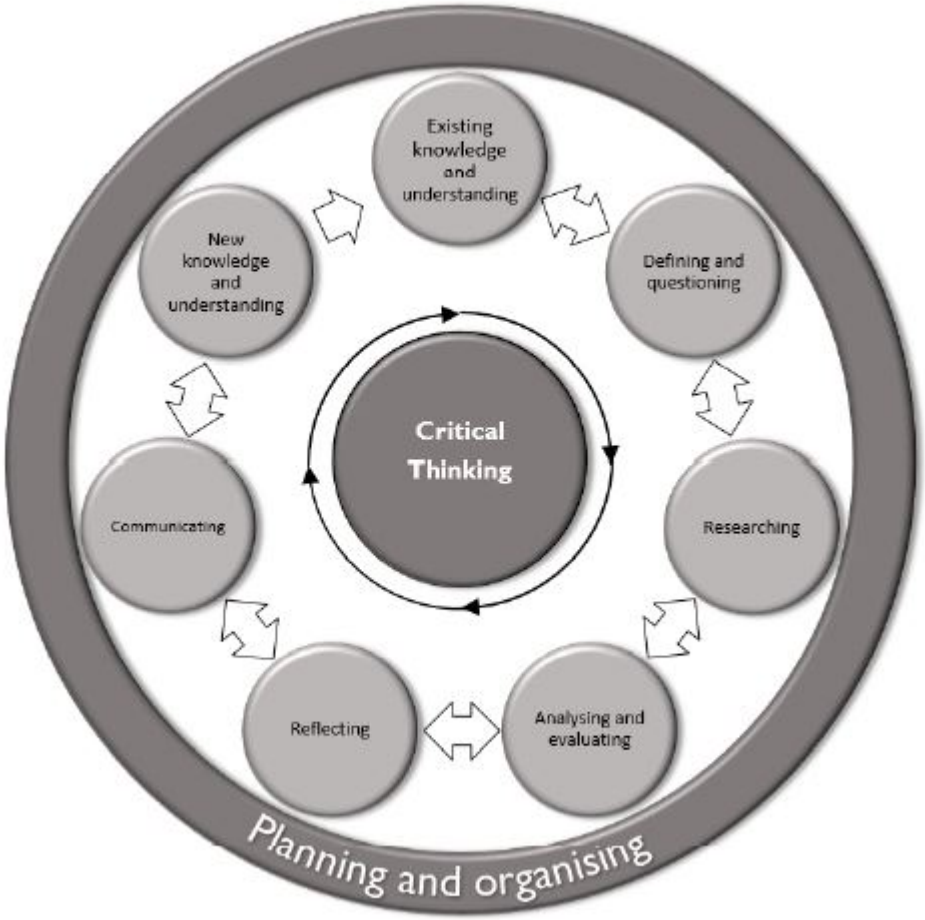
	Note: Formulae sheet provided for relevant ratios (Refer to Appendix 10) • Compare calculations with data from at least three (3) previous years and industry averages • Interpret what these ratios, presented in numerical, tabular, graphical and chart format suggest about business performance • Make recommendations to business owners and managers about improving business performance.

Financial Knowledge	Financial **reasoning: reporting**	Financial decision-making
4.3 Cash flow statements		
• Purpose of preparing a cash flow statement • Definition and examples of cash flows from operating, investing and financing activities.	• Prepare cash flow statements for a sole trader form of organisation (without credit sales, credit purchases and credit sales of non-current assets) o **simple** – solve problems with all data and information provided. Data and information is straightforward o **complex** – solve problems that include data and information not previously encountered Notes to the statement of cash flows (e.g. reconciliation of operating cash flows to operating profit) are not required. *Note*: Templates are provided (Refer to Appendix 8).	• Draw conclusions about a simple cash flow statement (accompanied by the Income Statement and Balance Sheet) in terms of: o operating activities – where cash is obtained and where it is used o investing activities – where major investments in assets have been made or realised o financing activities – how investments have been financed. • Highlight areas of concern or strengths in the cash position and make recommendations for action.
4.4 Cash budgets		
• The purpose of a cash budget and its role in cash control • Advantages • Main sources of finance o further equity o bank overdrafts o loans o mortgages • Main considerations when borrowing finance:	• Prepare a cash budget: o **simple** – solve problems with all data and information provided. Data and information is straightforward o **complex** – solve problems requiring significant manipulation of data such as collections from accounts receivable and items which require an understanding of the interrelationship of data, e.g. depreciation, discount expense and bad and doubtful debts *Note*: Templates are provided (Refer to Appendices 9.A and 9.B).	• Draw conclusions from a cash budget in terms of its components and the expected (future) cash position of the business • Make recommendations to business owners and managers about improving the cash position of the business.

○ ability to pay instalments (adequate profits and cash flow from operations) ○ current level of debt/gearing ○ cost of borrowing (interest rate) compared to the return/profit generated by the assets purchased ○ favourable business conditions in the future.		

UNIT 5: FINANCIAL INVESTIGATION (15 HOURS)

This unit focuses on learners undertaking an independent investigation into one of the financial topics outlined below. They will apply the inquiry approach to their study of a real-world situation. The inquiry approach can be represented by the following diagram:



SOURCE: Department of Education (2015)

Financial inquiry skills	
Skills	**Questions to be considered**
1. 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?
2. 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?
3. Researching	• What primary and/or secondary resources can I use? • How do I know the information is valid and reliable?
4. 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?
5. Reflecting	• What solution have I found? • What else is important? • What recommendation would I make? • What have I learnt that can inform future learning?

6. Communicating	• What is my main point? • What is my audience and what format will I use? • What is my decision/conclusion? • What accounting and financial terms, concepts and ideas do I need to use? • Have I used these appropriately?

EITHER:

FINANCIAL INVESTIGATION TOPIC 1: ACCOUNTING IN ACTION

Focus	Business entities may be small or large but their needs are similar. Accounting practices may appear simple or complex but they have similar stages and serve similar purposes.
Task	Learners are to prepare an analysis and evaluation of the accounting system of a business. Use the key ideas and guidelines below to assist you in your research and report preparation.
Key Ideas	Name and nature of the business The legal structure of the business Stages of the financial information system • Input stage – the documents used to record the transactions of the business • Processing stage – where and how the details are recorded into the business records • Output stage – the actual reports prepared by the business Analysis undertaken of the business performance Role of technology in the accounting process Professional advisors used by the business What stakeholders use the accounting information created by the business How accounting assists the owner(s) of the business Conclusion and recommendation.

OR:

FINANCIAL INVESTIGATION TOPIC 2: PERSONAL INVESTING

Focus	The knowledge and skills of accounting can assist with personal financial management.
Task	Learners are to prepare a personal financial plan and investment strategy. They are to use the key ideas and guidelines below to assist in their research and report preparation.
Key Ideas	Personal finance – income, spending and saving SMART financial goals Personal budgeting Types of investments – cash, fixed interest, shares, property Superannuation Taxation and welfare Advice and protection Concepts of 'risk', 'return' and 'risk management'.

Work Requirements

Guidelines	Learners may negotiate the format of their final report – a written report (between 1000–1500 words) or an oral or signed presentation of 8–12 minutes or the equivalent in multimodal form. • Sub-headings may be used • Bullet points, diagrams and charts are appropriate • Definition of terms or appendices are inappropriate • Appropriate referencing must be used. See TASC's Authenticity and Academic Integrity: A Guide .

Assessment

Criterion-based assessment is a form of outcomes assessment that identifies the extent of learner achievement at an appropriate end-point of study. Although assessment – as part of the learning program – is continuous, much of it is formative, and is done to help learners identify what they need to do to attain the maximum benefit from their study of the course. Therefore, assessment for summative reporting to TASC will focus on what both teacher and learner understand to reflect end-point achievement.

The standard of achievement each learner attains on each criterion is recorded as a rating 'A', 'B', or 'C', according to the outcomes specified in the standards section of the course.

A 't' notation must be used where a learner demonstrates any achievement against a criterion less than the standard specified for the 'C' rating.

A 'z' notation is to be used where a learner provides no evidence of achievement at all.

Providers offering this course must participate in quality assurance processes specified by TASC to ensure provider validity and comparability of standards across all awards. To learn more, see TASC's quality assurance processes and assessment information.

Internal assessment of all criteria will be made by the provider. Providers will report the learner's rating for each criterion to TASC.

TASC will supervise the external assessment of designated criteria which will be indicated by an asterisk (*). The ratings obtained from the external assessments will be used in addition to internal ratings from the provider to determine the final award.

Quality Assurance Process

The following processes will be facilitated by TASC to ensure there is:

- a match between the standards of achievement specified in the course and the skills and knowledge demonstrated by learners
- community confidence in the integrity and meaning of the qualification.

Process – TASC gives course providers feedback about any systematic differences in the relationship of their internal and external assessments and, where appropriate, seeks further evidence through audit and requires corrective action in the future.

External Assessment Requirements

The external assessment for this course will comprise:

- a written examination assessing criteria: 1, 2, 3, 4 and 6.

For further information see the current external assessment specifications and guidelines for this course available in the Supporting Documents below.

Criteria

The assessment for Accounting Level 3 will be based on the degree to which the learner can:

1. describe accounting and financial terms, concepts and principles*
2. apply double-entry accounting terms, concepts and processes to record and control financial information*
3. apply accrual accounting terms, concepts and processes to select and organise data to prepare financial reports*
4. apply financial concepts and processes to prepare and assess financial information and make business decisions*
5. use an accounting software package and digital technologies to record, report and interpret financial information
6. communicate financial ideas and information*
7. use inquiry skills to plan and undertake a financial investigation

* = denotes criteria that are both internally and externally assessed

Standards

Criterion 1: describe accounting and financial terms, concepts and principles

This criterion is both internally and externally assessed.

The learner:

Rating A	Rating B	Rating C
explains terms, concepts and principles related to the landscape for a sole trader and provides a range of examples of each	describes terms, concepts and principles related to the landscape for a sole trader and provides examples of each	identifies terms, concepts and principles related to the accounting landscape for a sole trader and provides an example of each
explains terms, concepts and principles related to recording, controlling and risk managing financial information and provides a range of examples of each	describes terms, concepts and principles related to recording, controlling and risk managing financial information and provides examples of each	identifies terms, concepts and principles related to recording, controlling and risk managing financial information and provides an example of each
explains terms, accounting assumptions and qualitative characteristics related to the preparation of financial reports and provides a range of examples of each	describes terms, accounting assumptions and qualitative characteristics related to the preparation of financial reports and provides examples of each	identifies terms, accounting assumptions and qualitative characteristics related to the preparation of financial reports and provides an example of each
explains terms, concepts and principles related to making financial decisions and provides a range of examples of each	describes terms, concepts and principles related to making financial decisions and provides examples of each	identifies terms, concepts and principles related to making financial decisions and provides an example of each
evaluates the impact of a breach of accounting assumptions, qualitative characteristics, and social, regulatory and ethical influences on business behaviour	analyses the impact of a breach of accounting assumptions, qualitative characteristics, and social, regulatory and ethical influences on business behaviour	assesses the impact of a breach of accounting assumptions, qualitative characteristics, and social, regulatory and ethical influences on business behaviour
distinguishes between contrasting but related financial terms, principles and ideas and explains subtle differences	distinguishes between contrasting but related financial terms, principles and ideas	distinguishes between contrasting financial terms, principles and ideas
correctly completes accounting equation problems involving complex data and information.	correctly completes accounting equation problems.	correctly completes accounting equation problems involving simple data and information.

Criterion 2: apply double-entry accounting terms, concepts and processes to record and control financial information

This criterion is both internally and externally assessed.

The learner:

Rating A	Rating B	Rating C
records complex transactions in the general journal which are compliant with the expected format	records transactions in the general journal which are compliant with the expected format	records simple transactions in the general journal. There may be some errors with the expected format
posts general journal entries to the general ledger for complex transactions and correctly balances where required	posts general journal entries to the general ledger and correctly balances where required	posts general journal entries to the general ledger for simple transactions. There may be some errors with completeness

evaluates entries in ledger accounts and determines the full double entry nature of transactions, even complex ones	analyses entries in ledger accounts and determines the nature of the transactions	identifies the nature of simple transactions posted to ledger accounts
prepares bank reconciliation statements, which include complex items, and which are compliant with the required format.	prepares bank reconciliation statements which are compliant with the required format.	prepares bank reconciliation statements involving simple items. There may be some errors in categorisation and formatting.

Criterion 3: apply accrual accounting terms, concepts and processes to select and organise data to prepare financial reports

This criterion is both internally and externally assessed.

The learner:

Rating A	Rating B	Rating C
analyses the double entry components of balance day adjustments, including complex ones	assesses the double entry components of simple balance day adjustments	identifies the double entry components of simple balance day adjustments
correctly and accurately modifies existing account balances in the trial balance and creates new accounts and balances for balance-day adjustments, including complex ones	correctly and accurately modifies existing account balances in the trial balance and creates new accounts and balances for balance-day adjustments	modifies existing account balances in the trial balance and creates new accounts and balances for simple balance-day adjustments. Some errors may occur
prepares properly classified income statements and balance sheets using manual methods from a list of items, including complex ones. They are accurate and appropriately classified	prepares properly classified income statements and balance sheets using manual methods from a list of simple items. They are accurate and classified	prepares income statements and balance sheets using manual methods from a list of simple items. There may be errors in terms of classifications of items
prepares cash flow statements from financial data, some of which is complex. They are mathematically accurate and appropriately classified	prepares cash flow statements from simple financial data. They are mathematically accurate and appropriately classified	prepares cash flow statements from provided financial data. They are mathematically accurate. There may be errors in terms of classifications of items
prepares cash budgets from financial data, some of which is complex. They are mathematically accurate and appropriately classified.	prepares cash budgets from simple items. They are mathematically accurate and appropriately classified.	prepares cash budgets from provided financial data. They are mathematically accurate. There may be errors in terms of classifications of items.

Criterion 4: apply financial concepts and processes to prepare and assess financial information and make business decisions

This criterion is both internally and externally assessed.

The learner:

Rating A	Rating B	Rating C
selects and calculates correct to two decimal places appropriate ratios and creates charts using manual methods for profitability, liquidity, financial stability and efficiency using complex data	selects and calculates correct to two decimal places an appropriate ratio using manual methods for profitability, liquidity, financial stability and efficiency	selects and calculates correct to two decimal places an appropriate ratio using manual methods for profitability, liquidity, financial stability and efficiency using simple data
interprets and explains trend data, compares and contrasts with industry averages and	interprets and describes the pattern in trend data and compares with	identifies the pattern in trend data and makes a basic comparison with an

analyses why differences may occur	industry averages	industry average
analyses each section to the cash flow statement and the actual cash position	assesses each section of the cash flow statement and the actual cash position	identifies each section of the cash flow statement and the actual cash position
analyses each section of the cash budget and the expected cash position	assesses each section of the cash budget and the expected cash position	identifies each section of a cash budget and the expected cash position
critically analyses data and argues a reasoned conclusion about business performance, linking it to relevant financial, non-financial and qualitative information	interprets data and argues a reasoned conclusion about business performance, articulating links to financial and non-financial information	interprets data and presents a reasoned conclusion about business performance, using relevant evidence
makes coherent and sustainable recommendations to improve business performance and evaluates their impact.	makes justified recommendations to improve business performance and analyses their potential impact on the business.	makes valid recommendations to improve business performance and assesses a potential impact on the business.

Criterion 5: use an accounting software package and digital technologies to record, report and interpret financial information

The learner:

Rating A	Rating B	Rating C
uses an accounting software package to establish an accounting system and records transactions, some of which will be complex	uses an accounting software package to establish an accounting system and record simple transactions	uses an accounting software package and a provided accounting system to record simple transactions
extracts a properly classified income statement and balance sheet from an accounting package, identifies errors and makes corrections	extracts a properly classified income statement and balance sheet from an accounting package and identifies errors	extracts an income statement and balance sheet from an accounting package. Some errors may occur
creates sophisticated spreadsheets to prepare accounting reports*. They are accurate and appropriately classified. Formatting and functions such as shading, tabs, date and time formats, text wrap and constructing formulae are required	uses spreadsheets tools and techniques to prepare accounting reports*. They are accurate and appropriately classified. Formatting and functions are straightforward (e.g. add, subtract)	uses provided spreadsheet templates to prepare accounting report*. There may be errors in terms of accuracy and classifications of items
selects, classifies and enters data into a spreadsheet to calculate ratios using formulae and produces charts and graphs for decision making purposes.	classifies and enters data into a spreadsheet to calculate ratios using formulae.	uses a spreadsheet to calculate ratios for decision making purposes from provided, totalled data. Calculations are straightforward.

*accounting reports refer to income statements, balance sheets, cash flow statements and cash budgets.

Criterion 6: communicate financial ideas and information

This criterion is both internally and externally assessed.

The learner:

Rating A	Rating B	Rating C

selects, constructs and uses appropriate written, oral and multimodal presentations to accurately and precisely convey meaning, including all relevant details, and is clearly and correctly structured	selects, constructs and uses appropriate written, oral and multimodal presentations to produce a response that conveys relevant details and follows the required structure	constructs and uses written, oral, and multimodal presentations as directed to produce a response that includes some relevant details and generally follows the required structure
communicates complex ideas and coherent and sustained explanations effectively, selecting and correctly using appropriate language conventions and accounting and financial terminology for specific audiences and purposes	communicates complex ideas and coherent explanations clearly, selecting and correctly using appropriate language conventions and accounting and financial terminology for specific audiences and purposes	communicates ideas and explanations clearly, correctly using appropriate language conventions and accounting and financial terminology
effectively produces accurate and fully compliant accounting records and reports in the required formats	clearly and accurately produces accounting records and reports in the required formats	uses the required formats to produce accounting records and reports. There may be some errors in accuracy and in compliance with the required format
clearly identifies the information, images, ideas and words of others used in the learner's work	clearly identifies the information, images, ideas and words of others used in the learner's work	differentiates the information, images, ideas and words of others from the learner's own
clearly identifies sources of the information, images, ideas and words that are not the learner's own. Referencing conventions and methodologies are followed with a high degree of accuracy	clearly identifies sources of the information, images, ideas and words that are not the learner's own. Referencing conventions and methodologies are followed correctly	identifies the sources of information, images, ideas and words that are not the learner's own. Referencing conventions and methodologies are generally followed correctly
creates appropriate, well-structured reference lists/ bibliographies.	creates appropriate, structured reference lists/bibliographies.	creates appropriate reference lists/bibliographies.

Criterion 7: use inquiry skills to plan and undertake a financial investigation

The learner:

Rating A	Rating B	Rating C
composes clearly structured inquiry questions, explaining their connections to observations; designs comprehensive inquiry, clearly stating aims and explaining appropriate methodology in detail	expresses inquiry questions, discussing their connections to observations; designs inquiry, clearly stating aims and describing appropriate methodology	uses given inquiry questions, designs inquiry, clearly stating aims and appropriate methodology
locates a wide range of primary and secondary sources relevant to an investigation and evaluates their reliability	locates a range of primary and secondary sources relevant to an investigation and analyses their reliability	locates a limited range of primary and secondary sources related to an investigation and assesses their reliability
identifies time, resources and equipment needed to complete activities, and develops a systematic and coherent research plan	identifies time, resources and equipment needed to complete inquiry, and develops and employs a coherent research plan	identifies time, resources and equipment needed to complete inquiry, and develops and employs a research plan
reflects – orally and in writing – on progress towards meeting goals and timelines; critically evaluates progress to plan future actions	reflects – orally and in writing – on progress towards meeting goals and timelines; analyses progress to plan future actions	reflects – orally and in writing – on progress towards meeting goals and timelines, articulating some ways in which goals may be met in the future

meets specified/negotiated timelines and addresses all required task characteristics with a high degree of accuracy.	meets specified/negotiated timelines and addresses all task characteristics.	meets specified/negotiated timelines and addresses most task characteristics.

Qualifications Available

Accounting Level 3 (with the award of):

EXCEPTIONAL ACHIEVEMENT

HIGH ACHIEVEMENT

COMMENDABLE ACHIEVEMENT

SATISFACTORY ACHIEVEMENT

PRELIMINARY ACHIEVEMENT

Award Requirements

The final award will be determined by the Office of Tasmanian Assessment, Standards and Certification from 12 ratings (7 from the internal assessment, 5 from external assessment).

The minimum requirements for an award in Accounting Level 3 are as follows:

EXCEPTIONAL ACHIEVEMENT (EA)
10 'A' ratings, 2 'B' ratings (4 'A' ratings, 1 'B' rating from external assessment)

HIGH ACHIEVEMENT (HA)
4 'A' ratings, 5 'B' ratings, 3 'C' ratings (2 'A' ratings, 2 'B' ratings and 1 'C' rating from external assessment)

COMMENDABLE ACHIEVEMENT (CA)
6 'B' ratings, 5 'C' ratings (2 'B' ratings, 2 'C' ratings from external assessment)

SATISFACTORY ACHIEVEMENT (SA)
10 'C' ratings (3 'C' ratings from external assessment)

PRELIMINARY ACHIEVEMENT (PA)
6 'C' ratings

A learner who otherwise achieves the ratings for a CA (Commendable Achievement) or SA (Satisfactory Achievement) award but who fails to show any evidence of achievement in one or more criteria ('z' notation) will be issued with a PA (Preliminary Achievement) award.

Course Evaluation

The Department of Education's Curriculum Services will develop and regularly revise the curriculum. This evaluation will be informed by the experience of the course's implementation, delivery and assessment.

In addition, stakeholders may request Curriculum Services to review a particular aspect of an accredited course.

Requests for amendments to an accredited course will be forwarded by Curriculum Services to the Office of TASC for formal consideration.

Such requests for amendment will be considered in terms of the likely improvements to the outcomes for learners, possible consequences for delivery and assessment of the course, and alignment with Australian Curriculum materials.

A course is formally analysed prior to the expiry of its accreditation as part of the process to develop specifications to guide the development of any replacement course.

Course Developer

The Department of Education acknowledges the significant leadership of Steve Allen (University of Tasmania), Jeremy Dooley (Guildford Young College), Gina Gunn and Anne-Marie Martin (CPA Australia) and Kim Stones (Launceston College) in the development of this course.

Expectations Defined By National Standards In Content Statements Developed by ACARA

There are no content statements developed by ACARA that are relevant to this course.

Accreditation

The accreditation period for this course is from 31 December 2016 to 31 December 2026.

Version History

Version 1 – Accredited on 14 July 2015 for use from 1 January 2016 until 31 December 2020. This course replaces Accounting (ACC315111) that expired on 31 December 2015.

Version 1.a – 25 February 2016. Clarification of Gearing Ratio formula and addition of Equity Ratio formula.

Version 1.b – 8 February 2017. Minor amendments to: Unit 1.3 (The users of financial and accounting information); Unit 3.2 (The assumptions, principles...); and the third standard element of Criterion 1.

Version 1.c - 18 December 2018. Minor amendments to Content in 3.2, 3.6 & 4.4.

Version 1.d - Accreditation renewed on 22 July 2020 for the period 1 January 2021 to 31 December 2021, with the following amendment: update of VET Unit code in Pathways section.

Version 1.e - Renewal of Accreditation on 14 July 2021 for the period 31 December 2021 until 31 December 2026, without amendments.

Appendix 1

GLOSSARY

Term	Explanation
Analyse	dissect to ascertain and examine constituent parts and/or their relationships; consider in detail for the purpose of finding meaning or relationships, and identifying patterns, similarities and differences
Apply	use or employ knowledge and skills in a particular situation
Assess	determine the value, significance or extent of (something)
Basic	essential or elementary
Clear	easy to understand, fully intelligible, without ambiguity; explicit
Coherent	orderly, logical and internally consistent relation of parts
Communicate	convey information about, clearly reveal or make known
Compare	estimate, measure or note how things are similar or dissimilar
Complex	consisting of multiple interconnected parts or factors
Comprehensive	detailed and thorough, including all that is relevant; inclusive of a broad coverage of facts, ideas and information
Concepts	in the context of this subject, a concept is a basic or fundamental idea, notion or element
Critically analyse	examine the component parts of an issue or information, for example identifying the premise of an argument and its plausibility, illogical reasoning or faulty conclusions

Term	Explanation
Decision	a choice or determination formed following the consideration of alternatives
Describe	provide an account of characteristics or features
Develop	construct, elaborate or expand on an opinion or idea
discuss	talk or write about a topic, taking into account different issues and ideas
Distinguish	recognise point(s) of difference
Evaluate	examine and judge the merit or significance of something, including processes, descriptions, relationships or data, according to criteria
Explain	provide additional information that demonstrates understanding and reasoning; present a meaning with clarity, precision, completeness, and with due regard to the order of statements in the explanation
Familiar	previously encountered in prior learning activities

Term	Explanation
Identify	establish or indicate who or what something is
Interpret	explain the meaning of information or actions
Issue	a point in question or a matter that is subject to debate
Justify	provide rational and logical reasons or evidence to support a statement
Language conventions	The features of language that support meaning and assist in conveying meaning, such as spelling, terminology, vocabulary, grammar, punctuation, sentence structure, paragraphing

Term	Explanation
Multimodal	an assessment mode that uses a combination of at least two modes, delivered at the same time, to communicate ideas and information to a live or virtual audience, for a particular purpose; the selected modes are integrated to allow both modes to contribute significantly to the multimodal response
Organise	systematically order and arrange
Outline	give the main features or aspects of
Primary sources	information created by the person or person directly involved in an inquiry, mainly generated through the gathering of first-hand experiences, such as surveys and interviews
Process	a system of rules or principles for conducting activities
Problem	a question proposed for solution
Provided	given

Term	Explanation
Range	a number of different things of the same general type; breadth
Reasoned conclusion	one that is sound, well-grounded, considered and thought out
Recommendation	a proposal for an appropriate course of action
Relationship	the connection or association between ideas, information or components of concepts and theories
Relevant	applicable and pertinent
Routine problems	problems solved using procedures encountered in prior learning activities

Term	Explanation
Secondary sources	information that has been compiled from primary sources by a person or persons not directly involved in the issue, collected through researching the studies and work of others, such as journals, newspaper articles and reports
Select	choose in preference to another or others
Simple	easy to understand and deal with; involving few elements, components or steps; obvious data or outcomes; may concern a single or basic aspect; limited or no relationships
Structured	organised and arranged in order
Sustainable	an idea, action or process that improves the business and can be supported and maintained by it

Term	Explanation
Term	a word, name or expression used in a specialised field of knowledge
Unfamiliar	not previously encountered in prior learning activities
Valid	applicable, legitimate and defensible
Well-structured	classified, organised and logical

Supporting documents including external assessment material

- ACC315116 Appendices 2 - 10.pdf (2019-08-16 12:59pm AEST)
- ACC315116 -Assessment Panel Report 2018.pdf (2019-08-15 11:26am AEST)
- ACC315116 TASC Exam 2018.pdf (2020-04-20 02:02pm AEST)
- ACC315116 Accounting TASC Exam Paper 2019.pdf (2020-04-20 02:05pm AEST)
- Accounting ACC315116 2019 Assessment Report.pdf (2020-06-01 10:37am AEST)
- ACC315116 Accounting TASC Exam Paper 2020.pdf (2020-11-13 09:34pm AEDT)
- ACC315116 Assessment Report 2020.pdf (2021-01-18 10:31am AEDT)
- ACC315116 Accounting Formula Sheet.pdf (2021-03-04 01:58pm AEDT)
- ACC315116 Accounting TASC Exam Paper 2021.pdf (2021-11-12 05:06pm AEDT)
- ACC315116 Assessment Report 2021.pdf (2022-01-24 12:09pm AEDT)
- ACC315116 Accounting External Assessment Specifications.pdf (2022-05-16 12:40pm AEST)
- ACC315116 Accounting TASC Exam Paper 2022.pdf (2022-11-09 12:42pm AEDT)
- ACC315116 Assessment Report 2022.pdf (2023-03-01 03:58pm AEDT)
- ACC315116_Accounting_TASC Exam Paper 2023.pdf (2023-11-16 04:13pm AEDT)

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