



ACCOUNTING AND FINANCE

General course

Year 12 syllabus for teaching from 2027

Acknowledgement of Country

Kaya. The School Curriculum and Standards Authority (the Authority) acknowledges that our offices are on Whadjuk Noongar boodjar and that we deliver our services on the country of many traditional custodians and language groups throughout Western Australia. The Authority acknowledges the traditional custodians throughout Western Australia and their continuing connection to land, waters and community. We offer our respect to Elders past and present.

Important information

As part of the Western Australian Certificate of Education (WACE) Refreshment, the School Curriculum and Standards Authority (the Authority) has revised the course rationale and aims, and updated the General Capabilities to create clearer connections with the syllabus content.

This syllabus is effective from 1 January 2027.

Users of this syllabus are responsible for checking its currency.

Syllabuses are formally reviewed by the Authority on a cyclical basis, typically every five years.

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Rationale

The Accounting and Finance General course aims to make students financially literate by creating an understanding of the systems and processes through which financial practices and decision-making are carried out, as well as ethical, social and environmental issues involved. It helps students to analyse and make informed decisions about finances.

Students will develop an understanding of the fundamentals on which accounting and financial management is based. The focus is on double entry accounting for small business, incorporating the principles of accrual accounting. Students will apply their understandings to a variety of small business scenarios to make informed financial decisions.

By engaging with the course, students develop an understanding of financial institutions and financial systems and the recording, processing, communication and evaluation of financial information. They will investigate the role and influence of government and other bodies and the impact of social, environmental and ethical factors.

Many students will find themselves self-employed and there is a high probability that they will have to engage in some form of accounting practices. Having an understanding of these practices enables students to analyse their own financial data and make informed decisions based on that analysis.

This course provides a pathway for further studies and careers in commerce, financial planning and banking.

Aims

The Accounting and Finance General course enables students to:

- develop a strong understanding of fundamental accounting concepts, principles and structures
- use financial systems for accurate record-keeping and reporting
- select, use and adapt financial systems to meet user needs
- explore how financial principles influence decision-making and financial systems
- analyse financial data to assess business performance, draw conclusions and recommend appropriate actions
- examine the impact of ethics, government policies and regulations on financial decisions
- understand how social and environmental factors shape financial choices.

Organisation

This course is organised into a Year 11 syllabus and a Year 12 syllabus. The cognitive complexity of the syllabus content increases from Year 11 to Year 12.

Structure of the syllabus

The Year 12 syllabus is divided into two units which are delivered as a pair. The notional time for the pair of units is 110 class contact hours.

Unit 3

The focus for this unit is double-entry accounting for small businesses.

Unit 4

The focus for this unit is accrual accounting.

Each unit includes:

- a unit description – a short description of the focus of the unit
- unit content – the content to be taught and learned.

Organisation of content

The course content is divided into three areas:

- Financial institutions and systems
- Recording, using and evaluating financial information
- Government and the community.

The terminology used in this syllabus is current at the time of publishing. Terminology and processes used in the delivery of this course should be compliant with current Australian Accounting Standards Board requirements.

Financial institutions and systems

Financial institutions

An understanding of interactions with financial institutions is important for everyone in our society. The course looks at financial instruments, including the use of electronic funds transfer point of sale (EFTPOS), internet banking and debit and credit cards. The various forms of financial institutions and sources of borrowings are covered.

Financial systems and fundamental principles

Knowledge of the principles and conventions underlying finance and accounting and the terminology used in these fields are essential. The course covers conventions, such as the accounting entity, and the principles of double-entry and the accounting equation. The essential elements of financial reports, such as assets, liabilities, expenses, income and equity are defined. Concepts, such as profitability, stability, risk and return and the financial reports and the systems which produce them are addressed.

Recording, using and evaluating financial information

Recording, processing and communicating financial information

Financial recording involves various processes, such as source documents verifying financial transactions and ledger accounts. It is important to use ethical processes when recording financial information. A variety of electronic tools, including accounting packages and spreadsheet programs are used. The course outlines the purposes of the various financial reports produced by business entities.

Evaluating financial information for planning, coordinating, controlling and investing

The most important aspect of business financial management is the analysis and interpretation of financial reports for decision-making. Appropriate sources of finance and internal controls are examined and these are evaluated against various goals and objectives. The concepts of risk, return and capital growth are compared and other long-term investments considered.

Government and the community

The role and influence of governments and other bodies

The taxation system impacts on individuals and organisations. The course looks at why taxation is necessary and the various systems of taxation in use in Australia. This includes legislation governing the collection, payment and reporting of Goods and Services Tax (GST). Government influences financial decision-making, through legislation, such as the *Partnership Act 1895* (WA) and the *Bankruptcy Act 1966* (Cth). The role and services of professional associations and community bodies and the influences they have on financial processes and practices are addressed.

The influence of social, environmental and ethical factors

The influence that financial decisions have on social and environmental issues and the importance of maintaining ethical decision-making processes is an important aspect of accounting and financial management.

Representation of the General Capabilities

The General Capabilities encompass the knowledge, skills, behaviours and dispositions that will support students to live and work successfully now and into the future. They are not assessed unless identified within the specified unit content. Teachers should find opportunities to incorporate the following General Capabilities into the teaching and learning program for the Accounting and Finance General course.

Critical and creative thinking

Students develop capability in critical and creative thinking skills as they learn to generate and evaluate knowledge, clarify concepts and ideas, seek possibilities, consider alternatives and solve problems. Critical and creative thinking are integral to activities that require students to think broadly and deeply using skills, behaviours and dispositions, such as reason, logic and resourcefulness.

In the course, students develop their critical and creative thinking and problem-solving abilities as they identify, interpret and analyse business scenarios and financial information. They apply their skills by evaluating accounting issues, drawing conclusions and making logical recommendations.

Literacy

Students become literate by developing the knowledge, skills and confidence to use language for learning, communication and active participation in society. Literacy involves listening, reading, viewing, speaking, writing and creating oral, print, visual and digital texts, adapting language for different purposes and contexts.

In the course, students examine and interpret various business data and information. They respond to case studies, financial information and accounting scenarios, recording, reporting, analysing and interpreting financial and non-financial information. Students learn to use the specialised language of accounting and finance to apply concepts to contemporary issues and events, effectively communicating conclusions and/or recommendations based on their analysis of business situations. Formats can include formal reports, written presentations or multimedia presentations or a combination of these.

Numeracy

Students become numerate by developing the knowledge and skills to use mathematics confidently across all learning areas and in their daily lives. Numeracy involves recognising and understanding the role of mathematics in the world and having the dispositions and capacities to use mathematical knowledge and skills purposefully.

In the course, students apply relevant numeracy knowledge and skills when they source, sort and identify relevant numerical data, perform calculations and create financial statements. They apply these skills to a variety of business scenarios including the calculation of GST, the manual preparation of classified income statements and balance sheets, and the calculation of profitability, liquidity and leverage ratios.

Addressing the other General Capabilities

Although the following General Capabilities have not been identified as a focus in the Accounting and Finance General Year 12 syllabus, teachers may find opportunities to incorporate them into the teaching and learning program.

- Digital literacy
- Ethical understanding
- Intercultural understanding
- Personal and social capability

Such opportunities may occur through the application of different contexts, pedagogical practices and/or assessment strategies that relate to the syllabus as part of the teaching and learning program.

Summary representation of the General Capabilities in the Accounting and Finance General course

The unit content and assessment types for this course provide students with the opportunity to develop the General Capabilities summarised in the table below.

Year	Course	Course type	General Capabilities						
			CCT	DL	EU	IU	L	N	PSC
Year 11	Accounting and Finance (GEACF)	General	✓				✓	✓	
Year 12	Accounting and Finance (GTACF)	General	✓				✓	✓	

Key

L: Literacy, N: Numeracy, DL: Digital literacy, CCT: Critical and creative thinking, PSC: Personal and social capability, EU: Ethical understanding, IU: Intercultural understanding

Representation of the Cross-curriculum Priorities

The Cross-curriculum Priorities address the contemporary issues which students face in a globalised world. Teachers may find opportunities to incorporate them into the teaching and learning program for the Accounting and Finance General course. The Cross-curriculum Priorities are not assessed unless they are identified within the specified unit content.

Aboriginal and Torres Strait Islander histories and cultures

The Aboriginal and Torres Strait Islander histories and cultures priority provides opportunities for all learners to deepen their knowledge of Australia by engaging with the world's oldest continuous living cultures. Students will understand that contemporary Aboriginal and Torres Strait Islander Communities are strong, resilient, rich and diverse. The knowledge and understanding gained through this priority will enhance the ability of all young people to participate positively in the ongoing development of Australia.

In the Accounting and Finance General course, the Aboriginal and Torres Strait Islander histories and cultures priority is recognised through understanding that social and environmental behaviours develop positive relationships in Indigenous communities. A future focus enables students to consider past behaviours and the development of possible activities in supporting the growth of Aboriginal and Torres Strait Islander business activity and economic development.

Asia and Australia's engagement with Asia

This priority ensures that students may learn about and recognise the diversity within and between the countries of the Asia region. They may develop knowledge and understanding of Asian societies, cultures, beliefs and environments, and the connections between the peoples of Asia, Australia, and the rest of the world. Asia literacy provides students with the skills to communicate and engage with the peoples of Asia so they can effectively live, work and learn in the region.

The Asia and Australia's engagement with Asia priority may provide content and contexts for developing students' accounting and finance knowledge, understanding and skills. This priority may be recognised through an awareness of social and environmental and ethical behaviour.

Sustainability

This priority allows all young Australians to develop the knowledge, skills, values and world views necessary for them to act in ways that contribute to more sustainable patterns of living. It enables individuals and communities to reflect on ways of interpreting and engaging with the world. The Sustainability priority is futures oriented, focusing on protecting environments and creating a more ecologically and socially just world through informed action. Actions that support more sustainable patterns of living require consideration of environmental, social, cultural and economic systems and their interdependence.

This priority provides a context for developing students' accounting and finance knowledge, understanding and skills. The priority is addressed through considering the linkages between social and environmental sustainability and financial sustainability.

Unit 3

Unit description

The focus for this unit is double-entry accounting for small businesses. Students apply their understanding of financial principles, systems and institutions to manage financial information and make decisions in a variety of small businesses. Students develop an understanding of the rationale for the use of particular conventions and principles and the consequences of disregarding them. Students record and process financial information using the double-entry system and apply the principles of Goods and Services Tax (GST). Students learn about the various forms of business organisations adopted by small business.

In implementing this syllabus, teachers must refer to the current practices as prescribed by the Australian Accounting Standards Board and other relevant legislation.

Unit content

An understanding of the Year 11 content is assumed knowledge for students in Year 12. It is recommended that students studying Unit 3 and Unit 4 have completed Unit 1 and Unit 2.

This unit includes the knowledge, understandings and skills described below.

Financial institutions and systems

Financial institutions

- sources of finance, other than equity, available to small businesses
- advantages and disadvantages of these sources of finance
- factors considered by financial institutions when approving finance
 - risk (collateral, liquidity, history, guarantors)
 - return (interest rate, future business)

Financial systems and fundamental principles

- characteristics of the main types of small business ownership: sole trader, partnership and small proprietary company, including:
 - number of owners
 - liability of owners
 - ability to raise capital or borrow funds
 - distribution of profits
 - transfer of ownership
 - separate accounting or legal entity
 - continuity of existence
- advantages and disadvantages of the main types of small business ownership
- different types and characteristics of business undertakings
 - manufacturing
 - trading/retailing
 - service providing

- fundamental concepts and conventions of financial accounting, including:
 - the accounting equation
 - double-entry accounting
 - the accounting cycle: documents, journals, ledger, adjusting entries, closing entries and financial statements
 - principles of the perpetual inventory system
- principles and features of the GST, including:
 - taxable supplies, GST-free supplies and input taxed supplies
 - accounting and reporting for the GST, including the business activity statement (BAS)
- accepted accounting principles and conventions, including:
 - accounting entity
 - monetary
 - historical cost
 - materiality
 - accounting period
 - going concern
- perpetual versus periodic inventory methods
- purpose of trial balance
 - errors disclosed/not disclosed by trial balance
- simple definition of the elements of financial statements
 - assets
 - liabilities
 - equity
 - income
 - expenses
- purpose of financial statements, including:
 - performance
 - financial position
 - liquidity

Recording, using and evaluating financial information

Recording, processing and communicating financial information

- calculation of the GST receivable or payable
- manual preparation of the general journal and general ledger (including GST) to include:
 - entries to commence business
 - cash and credit transactions to include cash receipts, cash payments, sales, purchases, sales returns, purchases returns, discount allowed and discount received
 - perpetual inventory system given the cost of sales (Note: there is no requirement to teach inventory costing systems, such as Last-in First-out, First-in First-out and weighted average)
 - purchase of non-current assets
 - write-off bad debts
 - withdrawal of inventory or cash by the proprietor
 - correction of errors
 - closing entries

- manual preparation of trial balance
- manual preparation of simple classified financial statements for a sole trader excluding balance day adjustments
 - income statements
 - balance sheet (statement of financial position) for a trading/merchandising/service business

Evaluating financial information for planning, coordinating, controlling and investing

- principles of internal control
- application of the principles of internal control over cash, inventory, accounts receivable, accounts payable and non-current assets
- limitations of internal control

Government and the community

The role and influence of governments and other bodies

- legislation relating to the formation of sole traders and partnership, including:
 - *GST Act 1999* (Cth)
 - *Business Names Registration Act 2011* (Cth)
 - *Partnership Act 1895* (WA)
- the impact of GST legal requirements on small businesses, including:
 - registering for GST
 - Australian Business Number (ABN)
- the concept of bankruptcy as defined by the *Bankruptcy Act 1966* (Cth)

The influence of social, environmental and ethical factors

- costs and benefits for small business of engaging in socially, environmentally and ethically responsible behaviour, including:
 - sponsorship
 - resource conservation
 - taxation responsibility

Unit 4

Unit description

The focus for this unit is accrual accounting. Students apply financial systems and principles to the operations of businesses and distinguish between cash and accrual methods of accounting. Students prepare and analyse financial reports for a variety of types of business organisations and become familiar with the main aspects of electronic processing of financial data. They learn of the role and functions of the professional accounting and financial associations.

In implementing this syllabus, teachers must refer to the current practices as prescribed by the Australian Accounting Standards Board and other relevant legislation.

Unit content

This unit builds on the content covered in Unit 3.

This unit includes the knowledge, understandings and skills described below.

Financial institutions and systems

Financial institutions

- nature, benefits and risks to small business of the following types of electronic processing:
 - EFTPOS
 - bill payments – electronic payment system
 - credit cards
 - online banking
 - direct debits

Financial systems and fundamental principles

- accrual basis of accounting as per the Conceptual Framework for Financial Reporting (the Conceptual Framework)
- the distinction between cash and accrual methods of accounting
- definition, as per the Conceptual Framework, of:
 - assets
 - liabilities
 - equity
 - income
 - expenses
- recognition criteria, as per the Conceptual Framework, for:
 - assets
 - liabilities
 - classification of income, expenses, assets and liabilities by nature and function

- purpose and nature of the following balance day adjustments:
 - accrued expenses
 - prepaid expenses
 - stock of supplies
 - accrued income
 - income in advance
 - depreciation

Recording, using and evaluating financial information

Recording, processing and communicating financial information

- manual preparation of general journal and ledger entries for balance day adjustments (asset and liability method only) to prepare financial reports (GST not included)
- manual preparation of general journal and general ledger entries for recording of depreciation (straight line method only)
- manual preparation of closing general journal entries
- manual preparation of trial balance
- manual preparation of classified financial statements for a sole trader, including balance day adjustments
 - income statements
 - statement of financial position for a trading/merchandising/service business
- using an established chart of accounts and the perpetual inventory system, apply double-entry principles using accounting software such as Mind Your Own Business (MYOB) or QuickBooks® to electronically record financial data and produce financial reports

Evaluating financial information for planning, coordinating, controlling and investing

- interpretation of the following ratios to evaluate the profitability and stability of a business:
 - profitability ratios:
 - profit formula

$$\frac{\text{profit}}{\text{net sales}}$$
 - gross profit formula

$$\frac{\text{gross profit}}{\text{net sales}}$$
 - expense formula

$$\frac{\text{operating expenses}}{\text{net sales}}$$
 - rate of return on assets formula

$$\frac{\text{profit}}{\text{average total assets}}$$

- liquidity ratios:

- working capital formula

$$\frac{\text{current assets}}{\text{current liabilities}}$$

- quick asset formula

$$\frac{\text{current assets} - \text{inventory and prepayments}}{\text{current liabilities} - \text{bank overdraft}}$$

- leverage ratio

- debt to equity formula

$$\frac{\text{total liabilities}}{\text{total equity}}$$

Government and the community

The role and influence of governments and other bodies

- the role of the professional accounting and financial associations, including:
 - CPA Australia
 - Chartered Accountants Australia and New Zealand
 - The Institute of Public Accountants
 - Financial Planning Association of Australia Limited

The influence of social, environmental and ethical factors

- the nature and purpose of the professional codes of conduct for members of professional accounting service providers associations

School-based assessment

The *Western Australian Certificate of Education (WACE) Manual* contains essential information on principles, policies and procedures for school-based assessment that needs to be read in conjunction with this syllabus.

Teachers design school-based assessment tasks to meet the needs of students. The table below provides details of the assessment types for the Accounting and Finance General Year 12 syllabus and the weighting for each assessment type.

Assessment table – Year 12

Type of assessment	Weighting
Tests – theory (15%–20%) and practical (30%–35%) Students respond to stimuli, such as case studies, financial information and accounting scenarios. They calculate, record, report, analyse, interpret, problem solve and provide recommendations on financial and non-financial information. Formats can include: written or oral response to scenarios, case studies, preparation of financial statements, recommendations, reports or any other form that demonstrate critical analysis and preparation of accounting and finance information under test conditions. Can include school examinations.	50%
Project Students scrutinise accounting and finance issues, analyse, critique and interpret given situations, examine references and sources, make conclusions and present the results of their open-ended or directed tasks. This can involve researching accounting and finance data, investigating products/services within the accounting and finance area, responding to given scenarios, drawing conclusions and making recommendations. Formats can include: scaffolded questions; a formal report; an oral or multimedia presentation, individually or in a group; or a combination of these.	35%
Externally set task A written task or item or set of items of 50 minutes duration developed by the School Curriculum and Standards Authority and administered by the school.	15%

Teachers are required to use the assessment table to develop an assessment outline for the pair of units.

The assessment outline must:

- include a set of assessment tasks
- include a general description of each task
- indicate the unit content to be assessed
- indicate a weighting for each task and each assessment type
- include the approximate timing of each task (for example, the week the task is conducted, or the issue and submission dates for an extended task).

In the assessment outline for the pair of units, each assessment type must be included at least once over the year/pair of units. The externally set task occurs in Term 2.

The set of assessment tasks must provide a representative sampling of the content for Unit 3 and Unit 4.

Assessment tasks not administered under test/controlled conditions require appropriate validation/authentication processes. For example, student performance on a project could be validated by a student/teacher interview, a task (for example, an extended response) which is completed in class after submission of the project, or a declaration of authenticity.

Externally set task

All students enrolled in the Accounting and Finance General Year 12 course will complete the externally set task developed by the Authority. Schools are required to administer this task in Term 2 at a time prescribed by the Authority.

Externally set task design brief – Year 12

Time	50 minutes
Format	Written
	Conducted under invigilated conditions
	Typically between two and five questions
	Questions can require students to respond to stimuli, such as case studies, given situations, financial and non-financial information, and accounting scenarios
Content	The Authority informs schools during Term 3 of the previous year of the Unit 3 syllabus content on which the task will be based

Refer to the *WACE Manual* for further information.

Grading

Schools report student achievement in terms of the following grades:

Grade	Interpretation
A	Excellent achievement
B	High achievement
C	Satisfactory achievement
D	Limited achievement
E	Very low achievement

The teacher prepares a ranked list and assigns the student a grade for the pair of units. The grade is based on the student's overall performance as judged by reference to a set of pre-determined standards. These standards are defined by grade descriptions and annotated work samples. The grade descriptions for the Accounting and Finance General Year 12 syllabus are provided in Appendix 1. They can also be accessed, together with annotated work samples, through the Guide to Grades link on the course page of the Authority website at www.scsa.wa.edu.au.

To be assigned a grade, a student must have had the opportunity to complete the education program, including the assessment program (unless the school accepts that there are exceptional and justifiable circumstances).

Refer to the *WACE Manual* for further information about the use of a ranked list in the process of assigning grades.

Appendix 1 – Grade descriptions Year 12

A	Provides detailed explanations of accounting theory, concepts, assumptions, conventions and principles for a small business, and applies them with a high degree of accuracy. Calculates, processes and reports financial information relating to a small business with a high degree of accuracy. Interprets financial information accurately to draw valid conclusions and make logical, coherent recommendations. Conducts research to locate a variety of relevant resources with appropriate evidence and utilises the relevant information to support valid explanations, judgements and/or recommendations.
B	Provides explanations of accounting theory, concepts, assumptions, conventions and principles for a small business and applies most elements accurately. Calculates, processes and reports most financial information relating to a small business accurately. Interprets financial information accurately to draw mostly valid conclusions and make logical recommendations. Conducts research to locate relevant evidence and utilises the relevant information to support logical explanations, judgments and/or recommendations.
C	Provides brief, generally accurate explanations of accounting theory, concepts, assumptions, conventions and principles for a small business and applies some elements accurately. Calculates, processes and reports financial information relating to a small business with some accuracy. Interprets financial information to offer simple conclusions and make simple, logical recommendations. Conducts research to locate some appropriate evidence and utilises information to make general observations and/or recommendations.
D	Provides limited and/or mostly inaccurate explanations of accounting theory, concepts, assumptions, conventions and principles for a small business. Calculates, processes and reports information relating to a small business with limited accuracy. Arrives at interpretations of financial information that are minimal and/or mostly inaccurate, without valid conclusions or logical recommendations. Conducts research to locate limited evidence; makes brief, superficial observations and/or unsupported recommendations.
E	Does not meet the requirements of a D grade and/or has completed insufficient assessment tasks to be assigned a higher grade.

