**Sample Course Outline**

Accounting and Finance

ATAR Year 11

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Sample course outline

Accounting and Finance – ATAR Year 11

Semester 1 – Unit 1

| **Week** | **Key teaching points** |
| --- | --- |
| 1 | Introduction to the course, distribution of syllabus, course outline and assessment outline**Financial institutions and systems: 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 ownershipdifferent types and characteristics of business undertakings, including:* manufacturing
* trading/retailing
* service providing
 |
| 2 | **Financial institutions and systems: Financial institutions**sources of finance, other than equity, available to small businessesadvantages and disadvantages of these sources of financefactors considered by financial institutions when approving finance* risk
* collateral
* liquidity
* history
* guarantors
* return
* interest rate
* future business

**Task 1: Project (Weeks 2–3)** |
| 3 | **Financial institutions and systems: Financial systems and fundamental principles**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

simple definition of the elements of financial statements* assets
* liabilities
* equity
* income
* expenses

accepted accounting principles and conventions, including:* accounting entity
* monetary
* historical cost
* materiality
* accounting period
* going concern
 |
| 4–6 | Recording, using and evaluating financial information: Recording, processing and communicating financial informationmanual 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

**Financial institutions and systems: Financial systems and fundamental principles*** purpose of financial statements, including:
* performance
* financial position
* liquidity

**Task 2: Test (Week 7)** |
| 7 | Government and the community: The role and influence of governments and other bodieslegislation relating to the formation of sole traders and partnership, including:* *GST Act 1999* (WA)
* *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)

**Financial institutions and systems: Financial systems and fundamental principles**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)

fundamental concepts and conventions of financial accounting, including:* principles of the perpetual inventory system

perpetual versus periodic inventory methods |
| 8–11 | Recording, using and evaluating financial information: Recording, processing and communicating financial informationcalculation of the GST receivable or payablemanual 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, discount received
* perpetual inventory system given the cost of sales (Note: 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

manual preparation of trial balance**Financial institutions and systems: Financial systems and fundamental principles**purpose of trial balance* errors disclosed by the trial balance
* errors not disclosed by the trial balance

**Task 3: Test (Week 12)** |

| **Week** | **Key teaching points** |
| --- | --- |
| 12–13 | Recording, using and evaluating financial information: Recording, processing and communicating financial informationmanual preparation of the general journal and general ledger (including GST) to include:* write-off bad debts
* withdrawal of inventory or cash by the proprietor
* correction of errors
* closing entries

**Task 4: Test (Week 14)** |
| 14 | **Recording, using and evaluating financial information: Evaluating financial information for planning, coordinating, controlling and investing**principles of internal controlapplication of the principles of internal control over cash, inventory, accounts receivable, accounts payable and non-current assetslimitations of internal controlGovernment and the community: The role and influence of governments and other bodiesthe concept of bankruptcy as defined by the *Bankruptcy Act 1966 (WA)* |
| 15 | **Government and the community: 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
 |
| 16 | Task 5: Semester 1 Examination |

Semester 2 – Unit 2

| **Week** | **Key teaching points** |
| --- | --- |
| 1 | Introduction to the course, distribution of syllabus, course outline and assessment outlineGovernment and the community: The role and influence of governments and other bodiesthe 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

**Government and the community: 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**Task 6: Project (Weeks 2–3)** |
| 2–6 | **Financial institutions and systems: 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 accountingdefinition, as per the *Conceptual Framework*, of:* assets
* liabilities
* equity
* income
* expenses

recognition criteria, as per the *Conceptual Framework,* for:* assets
* liabilities
* income
* expenses

purpose and nature of the following balance day adjustments:* accrued expenses
* prepaid expenses
* stock of supplies
* accrued income
* income in advance
* doubtful debts

Recording, using and evaluating financial information: Recording, processing and communicating financial informationmanual 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 closing general journal entriesmanual preparation of trial balance**Task 7: Test (Week 7)** |

| **Week** | **Key teaching points** |
| --- | --- |
| 7–9 | **Financial institutions and systems: Financial systems and fundamental principles**purpose and nature of balance day adjustments* depreciation

nature of depreciable non-current assetsnature of depreciation expensedetermining the cost of a depreciable non-current assetidentification of the more appropriate method of depreciation to apply* straight line
* reducing/diminishing balance

identification of over or under depreciation on sale of non-current assetRecording, using and evaluating financial information: Recording, processing and communicating financial informationmanual preparation of general journal and general ledger entries for recording of depreciation and disposal of a single depreciable asset, including cost of a depreciable non-current asset, depreciation expense, disposal of depreciable asset using the sale of asset method**Task 8: Test (Week 10)** |
| 10–11 | **Financial institutions and systems: Financial systems and fundamental principles**classification of income, expenses, assets and liabilities by nature and functionRecording, using and evaluating financial information: Recording, processing and communicating financial informationmanual 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

**Task 9: Test (Week 12)** |
| 12–13 | Recording, using and evaluating financial information: Recording, processing and communicating financial informationpreparation of the following ratios:* profitability ratios
* profit formula

profitnet sales* gross profit formula

gross profitnet sales* expense formula

operating expensesnet sales* rate of return on assets formula

profitaverage total assets* liquidity ratios:
* working capital formula

current assetscurrent liabilities* quick asset formula

current assets – inventory and prepaymentscurrent liabilities – bank overdraft* leverage ratio:
* debt to equity formula

total liabilitiestotal equityRecording, using and evaluating financial information: Evaluating financial information for planning, coordinating, controlling and investinginterpretation of the following ratios to evaluate the profitability and stability of a business* profitability ratios:
* profit
* gross profit
* expense
* rate of return on assets
* liquidity ratios:
* working capital
* quick asset
* leverage ratio:
* debt to equity
 |
| 14–15 | **Financial institutions and systems: Financial systems and fundamental principles**concept of inventory costing methods* weighted average
* First-in First-out

**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

**Recording using and evaluating financial information: Recording, processing and communicating financial information**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**Task 10: Test**  |
| 16 | Task 11: Semester 2 Examination |