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# VCE UNITS INFORMATION

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## VCE Accounting Units 3 and 4

### CONTENT

#### Unit 3

This unit focuses on financial accounting for a single activity trading business as operated by a sole trader and emphasises the role of accounting as an information system. Students use the double entry system of recording financial data and prepare reports using the accrual basis of accounting. The perpetual methods of stock recording with the First In, First Out (FIFO) methods is also used.

#### Unit 4

This unit provides an extension of the recording and reporting processes from Unit 3 and the use of financial and non-financial information in assisting management in the decision-making process. The unit is based on the double entry accounting system and the accrual method of reporting for a single activity trading business using the perpetual inventory recording system.

Students investigate the role and importance of budgeting for the business and undertake the practical completion of budgets for cash, profit and financial position. Students interpret accounting information from accounting reports and graphical representations, and analyse the results to suggest strategies to the owner on how to improve the performance of the business.

### OUTCOMES

#### Unit 3

- Students should be able to record financial data for a single activity sole trader using a double entry system, and discuss the function of various aspects of this accounting system
- Students should be able to record balance day adjustments and prepare and interpret accounting reports

#### Unit 4

- Students should be able to record financial data using double entry accounting and report accounting information using an accrual-based system for a single activity sole trader, and discuss the function of various aspects of this accounting system
- Students should be able to prepare budgets and various reports, evaluate the performance of a business using financial and non-financial information and discuss strategies to improve the profitability and liquidity of the business

### ASSESSMENT

The School Assessed Coursework for Units 3 and 4 contributes 50% to the study score. The end of year examination contributes 50% towards the study score.