
VCE UNITS INFORMATION

VCE Accounting Units 1 and 2

CONTENT

Unit 1: Role of Accounting in Business

This unit explores the establishment of a business and the role of accounting in the determination of business success or failure. In this, it considers the importance of accounting information to stakeholders. Students analyse, interpret and evaluate the performance of the business using financial and non-financial information. They use these evaluations to make recommendations regarding the suitability of a business as an investment.

Students record financial data and prepare reports for service businesses owned by sole proprietors.

Where appropriate, the accounting procedures developed in each area of study should incorporate the application of the Conceptual Framework and financial indicators to measure business performance, and take into account the range of ethical considerations faced by business owners when making decisions, including financial, social and environmental.

Unit 2: Accounting and Decision-making for a Trading Business

In this unit, students develop their knowledge of the accounting process for sole proprietors operating a trading business, with a focus on inventory, accounts receivable, accounts payable and non-current assets. Students use manual processes and ICT, including spreadsheets, to prepare historical and budgeted accounting reports.

Students analyse and evaluate the performance of the business relating to inventory, accounts receivable, accounts payable and non-current assets. They use relevant financial and other information to predict, budget and compare the potential effects of alternative strategies on the performance of the business. Using these evaluations, students develop and suggest to the owner strategies to improve business performance.

Where appropriate, the accounting procedures developed in each area of study should incorporate application of the Conceptual Framework, financial indicators and ethical considerations for business owners when making business decisions, including financial, social and environmental.

OUTCOMES

Unit 1

- Students should be able to describe the resources required to establish and operate a business, and select and use accounting reports and other information to discuss the success or otherwise of the business
- Students should be able to identify and record financial data, report and explain accounting information for a service business, and suggest and apply appropriate financial and non-financial indicators to measure business performance

Unit 2

- Students should be able to record and report for inventory and discuss the effect of relevant financial and non-financial factors, and ethical considerations, on the outcome of business decisions
- Students should be able to record and report for accounts receivable and accounts payable, and analyse and discuss the effect of relevant decisions on the performance of the business including the influence of ethical considerations
- Students should be able to record and report for non-current assets and depreciation