

Curriculum Description for Australian Matriculation (Tertiary Entrance Examinations)

ACCOUNTING AND FINANCE (E200)

Course content

The course content needs to be the focus of the learning program. It enables students to maximise their achievement of both the overarching learning outcomes from the Curriculum Framework and the Accounting and Finance course outcomes. By engaging with this essential content, students can demonstrate their achievement.

The course content is divided into three areas:

- financial institutions and systems
- recording, using and evaluating financial information
- government and the community.

Financial institutions and systems

Financial institutions

An understanding of interactions with financial institutions in a personal and business context is important for everyone in our society. This includes different types of bank accounts and the management of such accounts. The course looks at financial instruments, such as cheques, money orders and the use of 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, characteristics of financial reports, such as relevance, reliability and comparability 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, ledger accounts or personal records. It is important to use ethical processes for financial recording for an individual and a variety of business or non-business entities. The course addresses the importance of technological change in shaping the way financial decision-making is carried out. A variety of electronic tools, including commercial accounting packages, spreadsheet and database programs are used. The internet is used as a source of financial information and a means of communication with others. The course outlines the objectives of the various financial reports produced by business entities.

Evaluating financial information

The most important aspect of business financial management is the analysis and interpretation of financial information. This can be presented as a formal financial statement, such as a company balance sheet, or an informal presentation such as a statistical abstract, graph, table, newspaper report or statement of account. The course introduces a variety of tools and processes to make sound financial decisions in a business context.

Financial planning, coordination, control and investment

The use of financial information to improve the performance of a business is a key role of financial managers. The course outlines budgeting principles and practices, management accounting and the production of simple performance reports. Appropriate sources of finance are examined, evaluating these against various goals. The concepts of risk, return and capital growth are compared and retirement plans, including superannuation and other long-term investments, are considered.

Government and the community

The role and influence of governments and other regulatory 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 tax. Government influences financial decision-making, through organisations such as the Australian Securities and Investment Commission and the operation of legislation, such as the Corporations and Partnership Acts. 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 when considering these influences is an important aspect of accounting and financial management. A wide range of issues can be considered from a decrease in services, such as the closure of a bank in a country town, to triple bottom line reporting by corporations. All the factors that may impact on any financial decision should be identified and considered.

The role and function of not-for-profit organisations

The course examines the role and function of the range of not-for-profit organisations in society and the legislation and guidelines that have been developed to allow these organisations to function. This includes financial records for not-for-profit organisations.

Course units

To cater for the full range of students, six units have been developed to sequence the syllabus content. Stage 1 units enable student achievement at levels 3 to 5; Stage 2 units at levels 4 to 6; and Stage 3 units at levels 6 to 8.

Each of the units is designed around the same essential content areas, which increase in complexity from one unit to the next. Each unit allows students to achieve all four of the course outcomes.

Unit 1AACF

The focus for this unit is **personal finance**. Students are introduced to the concepts, principles and terminology used in financial decision-making and management on a personal basis. They learn about the main institutions that operate in financial markets and how governments and other community bodies can affect the way individuals and groups make financial decisions. Students learn about the main financial documents and reports used in personal financial transactions and decision-making and the systems that facilitate individuals to carry out their financial transactions.

Unit 1BACF

The focus for this unit is a **small cash business**. Students extend their knowledge of the fundamental principles and conventions of finance and accounting to learn how these apply to the establishment and operations of small businesses and not-for-profit organisations. They learn about the main financial institutions that small businesses deal with and understand how governments and other community bodies can influence their decision-making processes. Students learn about financial record-keeping on a cash basis for small business, as well as the main financial documents and reports used in the financial transactions of small businesses and not-for-profit unincorporated entities. They learn the main issues involved in business decision-making and carry out simple analyses of given information to determine the financial performance and position of a business.

Unit 2AACF

The focus for this unit is **accounting for business**. Students apply their understanding of financial principles, systems and institutions to manage financial information and make decisions in a variety of small service 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 set in a variety of contexts. They use a variety of methods, including electronic processing and the production and analysis of reports for a small service business. They identify and compare sources of finance. Students learn about the various forms of business organisation adopted by small business, examining and evaluating some of the ways governments control their activities.

Unit 2BACF

The focus for this unit is **accounting in practice**. Students apply financial systems and principles to the operation of small businesses. Students distinguish between cash and accrual methods of accounting and are introduced to cost accounting. Students prepare and analyse financial reports for a variety of types of small retail or manufacturing business organisations, including budgets, and become familiar with the main aspects of electronic processing of financial data. Students learn about different taxation systems and the role and function of the professional accounting associations. They learn how the activities of business affect the natural and social environments and what costs are associated with observing legislation and maintaining ethical practice.

Unit 3AACF

The focus for this unit is **Australian public companies**, and how they are regulated by the Corporations Act. The financing options of larger businesses are identified and evaluated, particularly in relation to conformity with basic principles, such as profitability and stability. Students learn about reports and analysis associated with business position and performance. They use performance reports to control business operations.

Unit 3BACF

The focus for this unit is **Australian companies operating in a global setting**. Students learn about the role of international financial markets and standards and critically discuss their impact on an organisation. They understand the effect globalisation has on industry and the way entities manage their affairs. The presentation and analysis of financial information is explored and students critically evaluate the use of different financial systems within an organisation. Students learn about mergers, takeovers and the consequences of poor company performance. The influence of triple bottom line developments and ethical behaviour within corporations enables them to analyse and evaluate how decisions are made and identify trends for future developments.

Examination details

External assessment is a requirement for students aspiring to university selection. Students need to complete at least two units from 2A–3B to be eligible to sit the WACE exam.

The total examination length is 3 hours and 10 minutes and will examine parts of Outcomes 1, 2, 3 and 4. The exam is divided into three sections: Section 1—Short response; Section 2—Extended response and Section 3—Production.