
Accounting GA 2: Units 3 and 4

This report is provided for the first year of implementation of this study and is based on the coursework audit and VCAA statistical data.

GENERAL COMMENTS

For the most part schools were able to satisfy the requirements of the current *VCE Accounting Study Design (2007–2011)*. However, there was one clear issue that schools are still grappling with. With the increased flexibility in both the selection of information and communications technology (ICT) tools and the choice of outcome areas to apply this criterion, it was often hard to find where this applied or to find evidence that illustrated a full 30 marks ICT out of the 100 marks allocated to the unit.

A number of commercially produced tasks were used by schools. These usually met the requirements of the particular outcome in question. There were also some examples of teacher-designed tasks and it was very pleasing to see the effort teachers have put into designing tasks to meet the needs of their students. In most cases teachers attempted to ensure that they provided students with formats similar to those they will be faced with in the examination setting.

Many commercially produced tasks are produced to be used either manually or through the use of ICT and at times evidence as to which way the task was completed had been omitted. Where ICT was used, and often used quite well, it included tasks that allowed students to use spreadsheets to construct or complete journals and ledgers or in the preparation of reports.

Many schools utilised a folio approach, particularly for Outcome 1 and with this approach it is always important to ensure that through the range of tasks used, you have covered all areas of the outcome. It is important to be mindful of this when assembling teacher designed and commercially produced materials for the folio.

One area in particular that schools need pay close attention to involves ensuring that they meet the ICT requirement of the study design. The move away from a specific task to an overall requirement has increased the range of options available to teachers to design tasks that meet their student's needs while meeting this requirement.

In some cases no evidence of the use of ICT was evident through either the tasks provided or the explanations provided about the mark allocations for the unit. More commonly schools provided evidence of some use of ICT; however, it was often within the context of a folio of activities and that although the ICT task was marked out of 30 marks it didn't always contribute completely to the overall mark for the outcome. Where the folio included a number of pieces their total marks often added to more than the marks for that particular outcome and were then combined to provide an overall mark.

However, in this process of averaging, the ICT task/s was often treated with equal weighting to the other tasks, therefore leading to its contribution to the overall outcome of the unit equating to less than 30 marks out of the 100 marks available.

It is essential that schools clearly communicate how the 30 marks for ICT have been met in the unit. Particularly where a folio approach is used it becomes essential to provide enough information for this to be clearly shown.

SPECIFIC INFORMATION

Unit 3

School-assessed Coursework for the outcomes in Unit 3 will contribute 17 per cent to the student's study score for Accounting.

At least 30 marks of the 100 available for School-assessed Coursework in Unit 3 must be allocated to ICT-based assessment.

Outcome 1

Record financial data into appropriate accounting records using a double entry accrual-based system for a single activity sole trader, and explain related aspects of this accounting system.

This outcome will contribute 50 marks out of 100 marks allocated to School-assessed Coursework for Unit 3. It will be assessed by one or more tasks, which will contribute a total of 50 marks.

Task type options

Any one or more of the following:

- structured questions
- a folio of exercises (manual and ICT)
- a case study (manual and/or ICT)
- a test (manual and/or ICT)
- a report (written, oral or multimedia)

For this outcome the most common approaches used included a folio of exercises and structured questions. These tasks were more often than not completed under test conditions. No evidence of the use of an oral or multimedia report was found during this audit.

Many tasks included a wide selection of practical components of the course. Students were often asked to record financial information, more often than not from a list of transactions and then post that information to areas such as the general ledger and subsidiary records for debtors, creditors and stock. Where schools provided a case study or test these tasks tended to be quite lengthy with a reliance on students making linkages between areas of the recording and reporting process.

Where a folio of exercises or a set of structured questions were employed they tended to include a wide range of approaches to questioning and there would be a reduction in the likelihood of consequential errors.

There tended to be a much heavier use of practical questions in this outcome. It is important for schools to ensure that the theoretical elements of the outcome are not neglected. An ability to explain the related aspects of the course is essential for good examination preparation and students need to see this as an essential part of the outcome. These types of questions often provide the opportunity for students to demonstrate an extremely high level of performance.

Assessment

More often than not schools tended to use a marking scheme similar to those used to allocate marks to examination questions rather than the assessment criteria provided in the *VCE Accounting Assessment Handbook*. Schools provided details of these marking schemes in the tasks submitted. Although these types of marking schemes vary from the scheme provided in the handbook they are acceptable and relevant in a study such as this.

Outcome 2

Record balance day adjustments, prepare financial reports and explain related aspects of the accounting system.

This outcome will contribute 50 marks out of 100 marks allocated to School-assessed Coursework for Unit 3. It will be assessed by one or more tasks, which will contribute a total of 50 marks.

Task type options

Any one or more of the following:

- structured questions
- a folio of exercises (manual and ICT)
- a case study (manual and/or ICT)
- a test (manual and/or ICT)
- a report (written, oral or multimedia).

For this outcome the most common types of tasks submitted included Tests and Structured Questions. Many commercially produced tasks were used.

Tasks tended to cover Balance Day Adjustments, particularly recording in the general journal and the subsequent closing entries. Students were then required to produce the key reports. Another common approach involved the provision of a pre-adjustment trial balance and then a list of additional information for students to address prior to completing the three key reports.

This outcome was covered adequately in all cases. Very little evidence of the use of ICT in this outcome was provided, with schools tending to favour outcome one to meet this requirement.

Again theory was covered in a smaller proportion of tasks. It is worth keeping in mind that this area often offers the ability to provide theoretical questions with a high degree of difficulty.

Assessment

Again more often than not schools tended to use a marking scheme similar to those used to allocate marks to examination questions rather than the assessment criteria provided in the *VCE Accounting Assessment Handbook*. Schools provided details of these marking schemes in the tasks submitted. Although these types of marking schemes vary from the scheme provided in the handbook they are acceptable and relevant in a study such as this.

UNIT 4

School-assessed Coursework for the outcomes in Unit 4 will contribute 17 per cent to the student's study score for Accounting.

At least 30 marks of the 100 available for School-assessed Coursework in Unit 4 must be allocated to ICT-based assessment.

Most schools were able to satisfy the requirements of the *VCE Accounting Study Design* for this unit. However, similar concerns still prevail in relation to the use of ICT. Whilst many schools chose to focus their ICT in the budgeting area of outcome two, they did not always achieve the requirement of ensuring that 30 marks out of the 100 marks for Unit 4 were assessed using ICT. More often than not they did not achieve a full 30 marks of ICT.

Commercially produced materials were used heavily by schools for most areas of this unit. However, there was a larger range of tasks used in the budgeting area of outcome two.

One other issue that became evident in some of the schools was the omission of one element of outcome two. Most schools ensured budgeting was covered well; however, in some cases there was no evidence provided of the evaluation of a business. This was very surprising as the outcome clearly incorporates both of these elements.

Again, caution needs to be applied to ensure that the ICT requirement is addressed adequately. It was very pleasing to see a couple of examples of schools that actually took advantage of this opportunity and incorporated ICT into both outcomes and this often ensured that they achieved as much as 40 or 45 marks out of 100 for ICT for the unit. It is worth remembering that the 30 marks out of 100 is a minimum, not a maximum

Outcome 1

Record and report financial data and information using a double entry accrual-based system for a single activity sole trader, and explain related aspects of this accounting system.

This outcome will contribute 60 marks out of the 100 marks allocated to School-assessed Coursework for Unit 4. It will be assessed by one or more tasks which will contribute a total of 60 marks.

Task type options:

Any one or more of the following:

- structured questions
- a folio of exercises (manual and ICT)
- a case study (manual and/or ICT)
- a test (manual and/or ICT)
- a written report.

The most common approaches to this outcome included a folio of exercises. Again most tasks were completed under test conditions.

Folios covered the broad range of topics in this outcome including sales and purchase returns of stock, stock valuation and the purchase and disposal of non-current assets. In a few cases no evidence was provided for prepaid and accrued revenue. This is worrying given the scope of questions that have appeared on examinations in this area and the often high degree of difficulty in these questions as evidenced by the results provided in the assessment reports for these types of questions. They offer the opportunity to challenge high achieving students.

The inclusion of theory questions into these activities was sometimes limited. Tasks tended to focus mostly on the recording in journals, ledgers and subsidiary records.

Assessment

In some cases VCAA criteria were applied; however, schools mostly tended to apply their own suitable marking schemes similar to those used in the examination. These were suitable for the tasks provided.

Outcome 2

Prepare and analyse budgets, evaluate a business using financial and non-financial information and suggest strategies to improve the profitability and liquidity of the business.

This outcome will contribute 40 marks out of the 100 marks allocated to School-assessed Coursework for Unit 4. It will be assessed by one or more tasks which will contribute a total of 40 marks.

Task type options:

Any one or more of the following:

- structured questions
- a folio of exercises (manual and ICT)
- a case study (manual and/or ICT)
- a test (manual and/or ICT)
- a written report

In the area of budgeting schools tended to focus on the use of ICT, primarily spreadsheets, requiring students to reconstruct general ledger accounts and prepare financial reports, including variance reports.

Most schools weighted the two element of this outcome evenly (i.e. 20 marks each). This became an issue for some schools when they did not incorporate ICT into outcome one as well. Leading to a situation where only 20 marks out of the 100 allocated for Unit 4 were ICT based.

A more worrying concern was that in some of the schools sampled, there was not evidence of evaluation of a business. This element of the outcome cannot be ignored. The most common tasks used to cover this outcome were either a case study approach or a set of structured questions. This area of the outcome also offers the opportunity to incorporate an ICT component. It is not necessary to use either or, an ICT or manual approach. They are not mutually exclusive. The initial analysis and calculations lend themselves to the use of ICT and can then be followed up with a written report. It is also important to ensure that students are exposed to the use of non-financial information.

Assessment

Where schools developed their own tasks they tended to provide their own relevant criteria or marking schemes. Likewise commercially produced tasks tended to contain a marking scheme similar to these used in the examination process. Attention still needs to be paid to achieving the ICT requirement of each outcome.

When preparing information to be submitted as part of the audit process schools must ensure that they clearly show the mark allocations for each task in a folio and how it is combined to provide both the overall marks for the outcome and to meet the ICT requirement for the unit