



VCE ACCOUNTING

INFORMATION GUIDE



120 CELEBRATING 120 YEARS 1904-2024

Kilbreda College

VCE ACCOUNTING

RATIONALE

Accounting involves modelling, forecasting and providing advice to stakeholders through the process of collecting, recording, reporting, analysing and interpreting financial and non-financial data and accounting information. This data and information is communicated to internal and external stakeholders and is used to inform decision-making within the business with a view to improving business performance. Accounting plays an integral role in the successful operation and management of businesses.

UNIT 1

Area of Study 1

The role of accounting

Individuals should consider a range of factors before committing to or continuing in a business venture. In this area of study students investigate the reasons for establishing a business and possible alternatives to operating a business. They explore types of business ownership, factors that lead to the success or failure of a business, sources of business finance and ethical considerations. They develop an understanding of the role and importance of accounting in operating a business, and consider how accounting is used to provide information for making operational and investment decisions.

Area of Study 2

Recording financial data and reporting accounting information for a service business

In this area of study students investigate the role of accounting in generating financial data and accounting information. They use the accrual method for determining profit for a service business operating as a sole proprietor with cash and credit transactions. Students use both manual methods and ICT to record financial data and report accounting information. They apply accounting assumptions and qualitative characteristics, and use business documents and indicators to measure business performance in order to consider the success or failure of the business.

UNIT 2

Area of Study 1

Accounting for inventory

The strategic management of inventory is a key factor in the success or failure of a trading business. In this area of study students investigate use of both the First-In, First-Out (FIFO) and Identified Cost inventory cost assignment methods to record and report the movements of inventory through the business. Using both methods, students discuss the effect of relevant financial and non-financial factors, including ethical considerations, on the outcomes of decisions taken in relation to inventory

Area of Study 2

Accounting for and managing accounts receivable and accounts payable

Managing accounts receivable and accounts payable successfully is essential to maintaining an adequate cash flow for a business. In this area of study students record and report transactions relating to accounts receivable and accounts payable. They examine strategies for managing credit transactions and use indicators, such as accounts receivable turnover and accounts payable turnover, to analyse decisions related to these areas. Students also take account of ethical considerations involved in managing accounts receivable and accounts payable and the effects of these on business performance.

Area of Study 3

Accounting for and managing non-current assets

In this area of study students develop an understanding of the accounting processes for non-current assets and the issues that can arise when determining a valuation for a non-current asset. Students calculate and apply depreciation using the straight-line method and undertake recording and reporting of depreciation.

To find out more information
about VCE Accounting
at Kilbreda College, please contact:

Carolyn Callaghan
Learning Leader: Humanities

carolyn.callaghan@kilbreda.vic.edu.au

Kilbreda College

118 Mentone Parade, Mentone VIC 3194

(03) 9581 7766

kilbreda.vic.edu.au



This flyer is correct as of July 2024, however may be subject to change.

