Accounting Units 1 & 2

Contents

Aboriginal and Torres Strait Islander content has been excluded as accuracy cannot be guaranteed, and it is better to be respectful than cover the entire curriculum inaccurately.

Significant effort has been made to ensure this content is legal. Please send any areas of concern to admin@vwx.au with appropriate document/legal references so errors can be verified and changes be made.

Contents

Series contents

This series covers the complete VCE Accounting Units 1 & 2 course as set out in the *VCE Accounting Study Design 2025–2029* — **Unit 1: The role of accounting in business** and **Unit 2: Accounting and decision-making for a trading business** — together with the qualitative characteristics, accounting assumptions and accounting elements described in the study design's *Characteristics of the study*. It comprises **nineteen content workbooks**, cumulative **topic tests**, and a **practice-examination booklet**. Each content workbook follows the same structure: concise theory, scaffolded and unscaffolded worked examples, graded practice questions, a compact answer key, and fully-worked solutions. Units 1 & 2 record cash and credit transactions using **special journals** (not the double-entry General Ledger); the final workbook, **Chapter 19**, is a *Headstart to Units 3 & 4* preview and is **not assessed** in the graded topic tests or practice examinations.

10A Calculating profit and the Income Statement · 10B Cash versus profit; net profit in the Balance Sheet · 10C Uses of the Income Statement and graphical representations

Topic 2 Test A and Test B, with fully-worked solutions, are included at the end of this workbook.

Topic 3 — Inventory

Chapter 11 — Trading firms and inventory *(77 pp)*

11A Trading firms and accounting for inventory · 11B Returns and other inventory transactions · 11C Inventory cards and recording · 11D The physical count: Identified Cost · 11E First-In First-Out and comparison; the perpetual system

Chapter 12 — Reporting and managing inventory *(77 pp)*

12A Reporting for trading firms; Cost of Sales · 12B The Cash Flow Statement and Income Statement for a trading firm · 12C Financial indicators and the Balance Sheet · 12D Inventory turnover and inventory management

Topic 3 Test A and Test B, with fully-worked solutions, are included at the end of this workbook.

Topic 4 — Accounts receivable and payable

Chapter 13 — Accounts payable for a trading business *(69 pp)*

13A Credit purchases of inventory and payments to accounts payable · 13B Subsidiary records for accounts payable · 13C Purchase returns and discount revenue · 13D The Statement of Account; benefits of subsidiary records

Chapter 14 — Accounts receivable for a trading business *(49 pp)*

14A Credit sales and receipts from accounts receivable · 14B Subsidiary records for accounts receivable · 14C Sales returns, discount expense and bad debts

Chapter 15 — Reporting and managing accounts payable and receivable *(86 pp)*

15A Accounting reports and credit transactions; the Cash Flow Statement · 15B The Income Statement and its uses · 15C The Balance Sheet · 15D Managing accounts payable and accounts receivable

Topic 4 Test A and Test B, with fully-worked solutions, are included at the end of this workbook.

Topic 5 — Non-current assets

Chapter 16 — Managing non-current assets *(80 pp)*

16A Non-current assets: valuation, management and ethics · 16B Depreciation and methods of depreciation · 16C Reporting depreciation; calculation issues · 16D A comprehensive example · 16E Financial indicators and non-current assets

Topic 5 Test A and Test B, with fully-worked solutions, are included at the end of this workbook.

Topic 6 — Budgeting and evaluating performance

Chapter 17 — Budgets *(85 pp)*

17A The budgeting process and the Budgeted Cash Flow Statement · 17B The Budgeted Cash Flow Statement over consecutive periods · 17C The Budgeted Income Statement and Balance Sheet · 17D Variance reports

Chapter 18 — Evaluating performance *(96 pp)*

18A Analysis and interpretation; assessing profitability · 18B Return on Owner's Investment and Return on Assets · 18C Asset Turnover, Net Profit Margin and Gross Profit Margin · 18D Vertical analysis of the Income Statement · 18E Assessing liquidity: Working Capital and Quick Asset Ratios · 18F Cash Flow Cover, the speed of liquidity and non-financial information

Topic 6 Test A and Test B, with fully-worked solutions, are included at the end of this workbook.

Headstart to Units 3 & 4 *(preview — not assessed)*

Chapter 19 — Headstart to Units 3 & 4 *(56 pp)*

19A Double-entry accounting and the General Ledger · 19B Recording revenues, expenses and specific transactions · 19C The Trial Balance and balancing

Chapter 19 introduces the double-entry General Ledger used in Units 3 & 4. It is a preview beyond the Units 1 & 2 study design and is not assessed in the graded topic tests or practice examinations.

Practice examinations

Chapter 20 — Practice examinations *(110 pp)*

Six complete practice examinations, each mirroring the end-of-year examination — 100 marks, eight compulsory questions, in a Question Book with a separate Answer Book of pre-printed response templates — graduated in difficulty, with fully-worked solutions. Chapter 19 preview content is excluded.

This series comprises ≈ 1222 pages across twenty-one booklets.