Accounting Units 3 & 4

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.

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Series contents

This series covers the complete VCE Accounting Units 3 & 4 course as set out in the *VCE Accounting Study Design 2025–2029* — **Unit 3: Financial accounting for a trading business** and **Unit 4: Recording, reporting, budgeting and decision-making** — together with the qualitative characteristics, accounting assumptions, accounting elements and cost-assignment methods 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. All content is written for a scientific calculator, in line with the end-of-year examination.

Topic 1 — The double-entry recording system

Chapter 1 — The role of accounting *(38 pp)*

1A Accounting as an information system · 1B Accounting assumptions and qualitative characteristics · 1C The accounting elements and reports

Chapter 2 — The accounting equation *(26 pp)*

2A Assets, liabilities, owner's equity and the Balance Sheet · 2B Classification and double-entry accounting

Chapter 3 — The General Ledger *(55 pp)*

3A Ledger accounts and double-entry recording · 3B Recording revenues, expenses and specific transactions · 3C The Trial Balance and balancing

Topic 1 Test A (recording and analysis) and Test B (short-answer recording), with fully-worked solutions, are included at the end of this workbook.

Topic 2 — Recording with source documents and the GST

Chapter 4 — Cash transactions, the GST and the General Journal *(51 pp)*

4A Source documents and the GST · 4B The General Journal and cash receipts · 4C Cash sales, cash payments and the GST · 4D The GST Clearing account

Chapter 5 — Accounts payable *(40 pp)*

5A Credit purchases and payments to accounts payable · 5B Purchase returns and discount revenue · 5C Statement of Account and accounts payable turnover

Chapter 6 — Accounts receivable *(45 pp)*

6A Credit sales and receipts from accounts receivable · 6B Sales returns and discount expense · 6C Statement of Account, GST Clearing and receivable turnover

Chapter 7 — Other transactions *(56 pp)*

7A Non-cash contributions and drawings by the owner · 7B Establishing a double-entry system; correcting entries · 7C Business source documents

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

Topic 3 — Inventory

Chapter 8 — Recording and reporting for inventory *(73 pp)*

8A Trading firms and inventory cards · 8B Valuing inventory: Identified Cost · 8C Inventory losses and gains: Identified Cost · 8D Valuing inventory: FIFO, losses and gains · 8E Reporting for inventory; the perpetual system

Chapter 9 — Valuing and managing inventory *(69 pp)*

9A Product and period costs · 9B Reporting product and period costs · 9C Lower of cost and NRV; inventory write-down · 9D Inventory turnover and management

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

Topic 4 — Reporting and analysing performance; bad debts

Chapter 10 — Reporting for profit *(65 pp)*

10A Determining profit: closing the ledger · 10B Transferring drawings; the Profit and Loss Summary · 10C The Income Statement and its uses · 10D Financial indicators and graphical representations

Chapter 11 — Reporting for cash *(52 pp)*

11A The Cash Flow Statement · 11B Uses of the Cash Flow Statement; financial indicators · 11C Cash versus profit

Chapter 12 — Balance day adjustments: bad and doubtful debts *(45 pp)*

12A The allowance for doubtful debts · 12B Writing off bad debts in subsequent periods

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

Topic 5 — Balance day adjustments and non-current assets

Chapter 13 — Prepaid and accrued expenses *(40 pp)*

13A Prepaid expenses · 13B Accrued expenses and the adjusted Trial Balance

Chapter 14 — Non-current assets and depreciation *(42 pp)*

14A Non-current assets and straight-line depreciation · 14B Recording and reporting depreciation · 14C Purchasing non-current assets

Chapter 15 — Depreciation methods and disposal *(72 pp)*

15A The reducing balance method · 15B Disposal of a non-current asset · 15C Trade-in of a non-current asset · 15D Reporting profit or loss on disposal

Chapter 16 — Unearned and accrued revenues *(50 pp)*

16A Unearned revenue · 16B Accrued revenue

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

Topic 6 — Budgeting and performance analysis

Chapter 17 — Budgeting *(72 pp)*

17A The budgeting process and the Budgeted Cash Flow Statement · 17B Cash flows from credit transactions · 17C The Budgeted Income Statement and Balance Sheet · 17D Variance reports

Chapter 18 — Evaluating performance: profitability *(65 pp)*

18A Profitability and the analytical process · 18B Return on Owner's Investment and the Debt Ratio · 18C Return on Assets and Asset Turnover · 18D Net Profit Margin and Gross Profit Margin · 18E Vertical analysis, non-financial information and strategies

Chapter 19 — Evaluating performance: liquidity *(66 pp)*

19A Liquidity and the Working Capital Ratio · 19B Quick Asset Ratio and Cash Flow Cover · 19C Turnover indicators; Inventory Turnover · 19D Accounts Receivable and Accounts Payable Turnover

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

Practice examinations

Chapter 20 — Practice examinations *(111 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.

This series comprises ≈ 1137 pages across twenty-one booklets.