

Learning Assessment Guide

Unit Standard 11622 – Version 4

Explain the nature of accounting systems and prepare financial statements for entities

Level 4 – 15 Credits

Assessment Summary			
Learner to complete			
Learner's name:			
Employer:			
NSN no. (ROL):		DOB:	
Signed:		Date:	
Assessor to complete			
<input type="checkbox"/> Meets requirements <input type="checkbox"/> More training required <input type="checkbox"/> More evidence required			
Assessor's name:		Assessor's No.	
Signed:		Date:	

Before you begin...

- As well as this Learning Assessment Guide, you may also want to refer to the unit standard from the NZQA website (<http://www.nzqa.govt.nz>).
- Read the Trainee Information Kit. The kit contains important information and guidelines for Learners and can be found on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- Check the learning resources available for this unit standard on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.

This Learning Assessment Guide is made up of:

- The tasks you will have to perform;
- The summary Assessment Guide that your assessor will use to assess your competence; and
- Attestation form for your manager or nominated supervisor to complete.

The assessment tasks are designed to show your assessor that you can:

- Explain the nature of accounting.
- Explain and classify transactions according to their effect on the accounting equation
- Explain accounting concepts and principles, and prepare financial statements for entities.
- Explain internal control procedures for accounting information systems.

General Instructions:

The nature of accounting systems and the financial statements will depend on the type or form of entity, as different entities have varying compliance requirements. Therefore learners must comply with any policies, procedures, and requirements of the organisation/s involved. Legislation in the form of the Financial Reporting Act, 1993; Companies Act, 1993, Generally Accepted Accounting Practice (GAAP); accounting standards of relevant professional bodies; and any relevant legislative and/or regulatory requirements.

Assessment Task One – Element 1

Introduction

This assessment task is designed to assess your ability to demonstrate understanding of the nature of accounting system in use.

Task Instructions

You may do this in writing or orally. If you answer the questions orally, your assessor is likely to wish to tape your answers for moderation purposes. If you answer the questions in writing, please do so on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

The questions are designed to ascertain your competency in the following areas:

- Understanding of the nature of the entity and its unique characteristics.
- Discuss the relationship that exists between the nature of entity and the accounting system in use.

Task One Questions

1. Identify the nature of entity that you currently work for? Describe its individual characteristics.
2. 'An accounting system not only influences business strategies but is itself influenced by the goals, size and structure of the organisation'. Analyse the accounting system within your entity and explain the factors that could have influenced the choice of an accounting system as well as the influence that the accounting system has on the entity.
3. Identify the users of accounting information produced by your entity. Discuss the purpose for which they use accounting information. Which accounting information do they normally use?
4. Does your accounting system successfully cater to the needs of all users? Provide recommendations if any on how the system can be bettered to provide better service to the users.

Assessment Task Two – Element 2

Introduction

This assessment task is designed to assess your ability in the explanation and classification of transactions according to the accounting equation.

Task Instructions

You will need to provide documentary evidence that you have completed the following:

- Completed trial balance of the entity
- Accounting Equation (based on items from the trial balance)
- All figures within the accounting equation must be inclusive of GST
- Evidence of documentation that you have completed the trial balance
- Evidence to indicate that you have classified the components of the trial balance using an accounting equation. Your answer must reflect assets, liabilities, equity, revenue and expense

Supporting documentary evidence may include:

- The evidence can be from the same accounting system reviewed in task one
- Reconciliation statements.
- Control totals on receipts and payments.
- Banking records.

Your assessor will also ask you questions in relation to the documentary evidence in your portfolio.

Assessment Task Three – Element 3

Introduction

This assessment task is designed to assess your ability to explain accounting concepts and principles, and complete an adjusted trial balance along with a set of financial statements for four entities.

Task Instructions

Part A

Answer Part A questions. You may do this in writing or orally. If you answer the questions orally, your assessor is likely to wish to tape your answers for moderation purposes. If you answer the questions in writing, please do so on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

Part B

You will need to provide documentary evidence that you have completed the financial statements of an entity. Evidence obtained should pertain to the four types of entities: sole trader, partnership, not-for-profit and exempt company.

Additional statements like Appropriation Accounts may be included based on the nature of the entity. All financial statements must comply with GAAP and other statutory regulations.

Supporting documentary evidence may include:

- The evidence can be from the same accounting system reviewed in task one
- Reconciliation statements.
- Control totals on receipts and payments.
- Banking records.

Your assessor will also ask you questions in relation to the documentary evidence in your portfolio.

Task Three (Part A) Question

5. Explain any three of the following concepts:

- Accounting Period
- Entity
- Proprietorship
- Matching
- Going Concern
- Monetary
- Historical Cost
- Materiality
- Realisation
- Conservatism

Assessment Task Four – Element 4

Introduction

This assessment task is designed to assess your understanding of internal control procedures for accounting information systems.

Task Instructions

You may do this in writing or orally. If you answer the questions orally, your assessor is likely to wish to tape your answers for moderation purposes. If you answer the questions in writing, please do so on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

Task Four Questions

1. Analyse an Internal Control System that you are familiar with; this may pertain to the same organisation used in the previous tasks.
2. Explain the role and importance of internal control procedures in ensuring the accuracy and integrity of the accounting information system. Your answer must discuss methods of internal control used at different levels within the accounting information system.

Verification Form – Unit Standard 11622

(to be completed by manager or supervisor)

Name of learner:	
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1. I confirm the learner has undertaken and completed a comprehensive review of the accounting system of the organisation.

Comments:

2. I confirm that learner has completed four sets of financial statements (sole trader, partnership, not-for-profit entity and exempt company) in accordance with all statutory and/or internal reporting purposes.

Comments:

Name of verifier:

Relationship to learner:

Contact Phone:

Signature:

Date:

Assessment Guide

The following guide will be used to assess your competence in Unit Standard 11622 Version 4: Explain the nature of accounting systems and prepare financial statements for entities.

Element/Task	Evidence Required	Judgement	
<p><i>Task / Element 1</i></p> <p>This task requires the learner to describe the nature of the entity and its characteristics.</p> <p>The learner is also required to discuss the relationship that exists between the nature of the entity and the accounting system in use.</p>	Responses to written questions	Responses indicate understanding of the concepts that the documentary evidence reflects.	Yes / No
	Manager verification	Verification from manager or nominated supervisor is complete and signed.	Yes / No
<p><i>Task 2 / Element 2</i></p> <p>This task is designed to assess the learner's ability in explanation and classification of transactions according to the accounting equation.</p>	Documentation	Documentary evidence gathered from workplace: Evidence that the learner has prepared a trial balance (without adjustments) and classified the items through an accounting equation.	Yes / No
	Manager verification	Attestation from manager or nominated supervisor is complete and signed.	Yes / No
	Responses to oral questions	Responses indicate understanding of the processes that the documentary evidence reflects.	Yes / No
<p><i>Task 3 / Element 3</i></p> <p><u>Part A:</u> Learners are expected to demonstrate knowledge of any <u>three</u> of the accounting concepts.</p> <p><u>Part B</u> Preparing an Adjusted Trial Balance and <u>four</u> sets of financial statements (sole trading, partnership, not-for-profit and exempt company) in accordance with GAAP.</p>	Responses to written questions	Response indicates sound knowledge and understanding of these concepts.	Yes / No
	Documentation	Documentary evidence gathered from the workplace: Evidence that the learner has prepared the financial statements.	Yes / No
	Manager verification	Verification from manager or nominated supervisor is complete and signed.	Yes / No

Element/Task	Evidence Required	Judgement	
<p><i>Task 4 / Element 4</i></p> <p>Review the accounting information system to assess its ability in meeting user requirements and to seek assurance on methods of control.</p>	<p>Responses to written questions</p>	<p>Indicates that the learner has understood the importance of internal controls for an accounting information system and explains the methods and stages of internal control.</p>	<p>Yes / No</p>