

Learning Assessment Guide

Unit Standard 330 – Version 5

Complete accounting procedures and produce financial statements

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.

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

- Describe the nature and functions of accounting.
- Define and apply accounting structures and concepts for a sole trader.
- Record financial transactions for GST.
- Complete end of period statements.
- Present financial statements and clarify reported financial position.

This Learning Assessment Guide is made up of:

- Questions for you to answer.
- Tasks for you to complete.
- Verification forms for your manager or team leader to complete.
- Assessment Guide that the assessor will use to assess your competence.

Special notes relating to this unit standard:

1. You must comply with occupational health and safety guidelines and recommendations with regards to your working environment and work practices at all times.
2. Where the unit states organisational policies, procedures and documentation requirements, note that this includes formats that you use.

Assessment Task One – Element 1

Introduction

Assessment task one is designed to assess your ability to describe the nature and functions of accounting.

Instructions

- Answer the following questions. As this is a 15 credit unit standard, please answer as fully as you can.
- You may answer your questions in writing or orally directly to your assessor. If you answer in writing, you should use your own paper, and you may type or write your answers. If you choose to answer orally, your assessor will record your answers.
- You may also wish to use examples of work to help explain your answer.
- Your assessor may wish to ask you further questions to clarify any points, or in order to gain sufficient evidence.

The completed assessment for task one will include:

- Answers to questions.
- Samples of work if used.
- Assessor's notes.

Task One Questions

Question One

Many people have a vested interest in the financial affairs of a business activity. Such people may include but are not limited to:

- Owner
- Management
- Investors
- Creditors
- Government departments
- Employees.

Choose three of the above, and describe the purposes of preparing and using accounting information from their standpoint.

Examples of purposes include:

- Communication
- Control
- Accountability
- Decision-making

Question Two

Choose two of the following types of organisations, and compare their accounting administration requirements.

- sole proprietors
- partnerships
- companies
- non-profit organisations

Question Three

Give a brief description of the accounting process at your workplace. Include what data is recorded, how it is recorded, and how it is stored, and what the information is then used for.

Question Four

Again with regards to the preparation and administration of records, what are the limitations of accounting?

Assessment Task Two – Element 2

Introduction

Assessment task two is designed to assess your ability define and apply accounting structures and concepts for a sole trader.

Instructions

- This task concerns sole traders. Although you may not be working in that sector, many of the same rules apply.
- In order to complete this task you must answer some questions concerning accounting concepts, and provide examples of accounting transactions, double entry bookkeeping and balance sheets that you have created.
- The questions can be answered orally or in writing. If you answer orally your assessor will record your answers. The question sheet that follows outlines the samples of work required.
- Please also ask your manager or team leader to sign the attached Verification Form to confirm that the samples of accounting work submitted are your own.
- Your assessor may wish to ask further questions in order to clarify points or to gain sufficiency of evidence.

The completed assessment for task two will include:

- Answers to questions.
- Examples of capital and revenue transactions, double entry bookkeeping and balance sheets.
- Signed Verification Form.
- Assessor's notes if required.

Task Two Questions

Question One

Give a definition of the following accounting concepts as they apply to a sole trader. Your definition must be in terms of accounting procedures and the administration of accounting records.

Concept	Definition
Accounting entity	
Monetary	
Historical cost	
Continuity	
Accounting period	
Conservatism	
Disclosure	
Materiality	

Question Two

What is the accounting equation?

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Question Three

What is meant by double entry bookkeeping?

Question Four

Please provide your assessor with examples of the following work. The work submitted must have been performed by you during the course of your employment within the past 12 months.

- a) An example of where you have measured changes to the accounting equation in relation to transactions.
- b) An example of the effect of capital and revenue transactions on the accounting equation.
- c) An example of double entry bookkeeping and a balance sheet. All must be in keeping with organisational policies and procedures, and documentation requirements.
- d) Examples of balance sheets in **two** of the following formats (does not need to be the same balance sheet).
 - Vertical
 - Narrative
 - Tform
 - Electronic

You may use the same sheet as provided in c).

Manager's Verification Form Task Two

Name of Learner:			
Name of Verifier:			
Position:		Phone:	

_____ (learner) is currently being assessed toward Unit Standard 330 'Complete accounting procedures and produce financial statements.'

Your signature below confirms that the samples submitted for assessment were produced by the learner

- Measurement of changes to the accounting equation through transactions including capital and revenue transactions.
- Double Entry bookkeeping.
- Balance Sheet.

Comments:

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Signed: _____

Date: _____

Thank you for your assistance.

Assessment Task Three – Element 3

Introduction

Assessment task three is designed to assess your ability to record financial transactions for GST.

Instructions

- You must provide your assessor with evidence of having recorded GST transactions from source documents. The format used must be in accordance with organisational requirements and IRD requirements. Ledger formats may include Tform, columnar and electronic.
- You must also identify the organisational and legislative requirements for recording financial transactions for GST. Discuss this with your assessor, or put the requirements in writing.
- In order to confirm that the work submitted is your own, please ask your manager or team leader to sign the attached Verification Form.

The completed assessment for task three will include:

- Examples of GST ledger.
- Signed Verification Form.
- Identification of organisational and legislative requirements.
- Assessor's notes where required.

Manager's Verification Form Task Three

Name of Learner:			
Name of Verifier:			
Position:		Phone:	

_____ (learner) is currently being assessed toward Unit Standard 330 'Complete accounting procedures and produce financial statements.'

Your signature below confirms that the learner has produced the samples of GST entries from the source documents, and that they are in line with the requirements of your organisation.

Comments:

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Signed: _____

Date: _____

Thank you for your assistance.

Assessment Task Four – Element 4

Introduction

Assessment task four is designed to assess your ability to complete end of period statements.

Instructions

- You must provide your assessor with evidence of having prepared end of period statements. End of period could mean end of month or end of year.
- You must also discuss your work with your assessor to show your understanding of the end of period accounting process.
- Your assessor will complete a checklist to show that you have provided the required work and demonstrated an understanding of the processes involved.
- Examples are required of the following:
 1. End of period statements. Provide at least two. These must be prepared according to the reporting period, documentation requirements and organisational policy and procedure.
 2. You must show a recognition of capital and revenue accounting items.
 3. Your end of period adjustments must be consistent with the reporting period and type of business. This must include three adjustments, e.g. accruals, prepayments, recording inventories, depreciation.
 4. Your calculation of depreciation must be relevant to the type of business. Discuss straight-line and diminishing value.
 5. Your methods for valuing the inventory must be relevant to the type of business. Your methods may include last-in, first-out; first-in, first-out; weighted average.
- In order to confirm that the work submitted is your own, please ask your manager or team leader to sign the attached Verification Form.

The completed assessment for task four will include:

- Examples of end of period statements, fixed asset register for depreciation, inventory valuation.
- Signed Verification Form.
- Completed checklist.
- Assessor's notes where required.

Task Four Checklist

(To be completed by the Assessor)

Name of learner:	
Name of assessor:	
Date:	

The learner has	Comments	Yes/No
Provided examples of end of period statements (at least two).		
Recognised capital and revenue accounting items.		
Made at least three end of period adjustments consistent with the type of business and reporting period.		
Correctly calculated depreciation and understands both the straight-line and DV methods.		
Valued inventory using a method relevant to the type of business.		

Assessor / Observer:

Signature:

Manager's Verification Form Task Four

Name of Learner:			
Name of Verifier:			
Position:		Phone:	

_____ (learner) is currently being assessed toward Unit Standard 330 'Complete accounting procedures and produce financial statements.'

Your signature below confirms that the learner has produced end of period statements in line with the requirements of your organisation.

Comments:

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Signed: _____

Date: _____

Thank you for your assistance.

Assessment Task Five – Element 5

Introduction

Assessment task five is designed to assess your ability to present financial statements and clarify reported financial position.

Instructions

- In order to complete this task you must answer some questions concerning financial statements and provide some examples of your work.
- The questions can be answered orally or in writing. If you answer orally your assessor will record your answers. The question sheet that follows outlines the samples of work required.
- Please also ask your manager or team leader to sign the attached Verification Form to confirm that the samples of accounting work submitted are your own.
- Your assessor may wish to ask further questions in order to clarify points or to gain sufficiency of evidence.

The completed assessment for five will include:

- Answers to questions.
- Examples of financial statements.
- Signed Verification Form.
- Assessor's notes if required.

Task Five Questions

Question One

What is the purpose of analysing financial statements in terms of organisational managing and planning requirements?

Question Two

How can the following types of analysis techniques contribute to the reporting in your workplace and what are their limitations?

Technique	How they can contribute	Limitation
Major ratios for liquidity		
Profitability and financial structure		
Dollar and percentage trends		
Uses of comparative information		

Question Four

- A. From work you have completed within the last two years, provide a statement of financial position and one of the following:
- Statement of financial performance
 - Trading account
 - Profit and loss account
- B. Provide examples of occasions where you have applied at least three analysis techniques to financial statements and interpreted the results to clarify the reported financial position.

Manager's Verification Form Task Five

Name of Learner:			
Name of Verifier:			
Position:		Phone:	

_____ (learner) is currently being assessed toward Unit Standard 330 'Complete accounting procedures and produce financial statements.'

Your signature below confirms that the samples submitted for assessment were produced by the learner

- Financial statements.
- Analysis of financial position.

Comments:

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Signed: _____

Date: _____

Thank you for your assistance.

Assessment Guide

These are the evidence and judgements that your assessor will use to assess your competence in unit standard 330.

Task / Element	Evidence required	Judgement
<p><i>Task 1 / Element 1</i></p> <p>In this task the learner must answer questions regarding the nature and functions of accounting.</p>	<p>Answers to questions.</p> <p>Assessor's notes where relevant.</p>	<p>Learner describes the purposes of preparing and using accounting information. Description is in terms of the user of the information's interest in the organisation. Users may include but are not limited to:</p> <ul style="list-style-type: none"> • Owner • Management • Investors • Creditors • Government departments • Employees. <p>Purposes may include but are not limited to:</p> <ul style="list-style-type: none"> • Communication • Control • Accountability • Decision making. <p>The learner must compare the accounting administration requirements for two of:</p> <ul style="list-style-type: none"> • Sole trader • Partnership • Company • Non-profit organisations <p>Learner describes the most important characteristics of accounting data as it relates to the preparation and administration of accounts.</p> <p>Learner describes the limitations of accounting as it relates to the preparation and administration of accounting records.</p>

Task / Element	Evidence required	Judgement
<p><i>Task 2 / Element 2</i></p> <p>In this task the learner must answer questions concerning accounting structures and concepts for a sole trader, and provide examples of bookkeeping.</p>	<p>Answers to questions.</p> <p>Examples of capital and revenue transactions, double entry bookkeeping and balance sheets.</p> <p>Signed Verification Form.</p> <p>Assessor's notes if required.</p>	<p>Learner must define the following concepts in terms of accounting procedures and administration of accounting records from the standpoint of a sole trader:</p> <ul style="list-style-type: none"> • Accounting entity • Monetary • Historical cost • Continuity • Accounting period • Conservatism • Disclosure • Materiality <p>Learner must define the accounting equation. They must also measure the effects of changes to the equation in relation to transactions, including capital and revenue transactions.</p> <p>The learner must define and produce an example of accounts using the double entry method.</p> <p>The learner must produce balance sheets in accordance with organisational and documentation requirements, and show an understanding of the different formats. Formats may include but are not limited to vertical, narrative, Tform and electronic.</p>
<p><i>Task 3 / Element 3</i></p> <p>In this task the learner must identify the organisational and legislative requirements for recording financial transactions and record GST transactions.</p>	<p>Examples of GST ledger.</p> <p>Signed Verification Form.</p> <p>Identification or organisational and legislative requirements.</p> <p>Assessor's notes where required.</p>	<p>Learner must identify organisational and legal requirements for recording GST transactions.</p> <p>Learner must produce evidence of having recorded prime entry records from source documents. The transactions must be recorded in accordance with the internal control systems of the organisation and their policies and documentation requirements.</p> <p>The ledger format may include but is not limited to TForm, columnar, electronic.</p>

Task / Element	Evidence required	Judgement
<p><i>Task 4 / Element 4</i></p> <p>In this task the learner must complete end of period statements. This may be month-end or year-end.</p>	<p>Examples of end of period statements, fixed asset register for depreciation, inventory valuation.</p> <p>Signed Verification Form.</p> <p>Completed checklist.</p> <p>Assessor's notes where required.</p>	<p>Learner has produced end of period statements in accordance with the reporting period and the requirements of the organisation.</p> <p>Learner can recognise capital and revenue accounting items.</p> <p>Learner has made at least three end of period adjustments that are consistent with the reporting period and business type. Adjustments may include but are not limited to accruals, prepayments, recording inventories, depreciation.</p> <p>Learner can calculate straight-line and diminishing value depreciation methods.</p> <p>Learner has used a relevant method for valuing inventory. Method may include but is not limited to:</p> <ul style="list-style-type: none"> • last in, first out • first in, first out • weighted average.
<p><i>Task 5 / Element 5</i></p> <p>In this task the learner must present and analyse financial statements.</p>	<ul style="list-style-type: none"> • Answers to questions. • Examples of financial statements. • Signed Verification Form. • Assessor's notes if required. 	<p>The learner has prepared fully classified financial statements from accounting records. The statements are prepared in accordance with organisational procedure and documentation requirements.</p> <p>This must include a statement of financial position and one of:</p> <ul style="list-style-type: none"> • Statement of financial performance • Trading account • Profit and loss account. <p>The learner explains the purpose of analysing financial statements in terms of the organisation's managing and planning requirements. The explanation may include:</p> <ul style="list-style-type: none"> • Communication of information. • Identification of significant factors.

Task / Element	Evidence required	Judgement
		<ul style="list-style-type: none"> • Comparison of performance. • Basis for recommendations for changes and improvements. <p>The learner must identify the following techniques for analysing financial statements in terms of their functions and limitations:</p> <ul style="list-style-type: none"> • Major ratios for liquidity • Profitability and financial structure • Dollar and percentage trends • Uses of comparative information. <p>The learner must apply three analysis techniques to financial statements and interpret the results in a way that clarifies the reported financial position.</p>