Achievement Standard

Subject Reference   Accounting 2.2

Title   Demonstrate understanding of accounting processing using accounting software

Level   2   **Credits**   4   **Assessment**   Internal

Subfield   Accounting

Domain   Accounting - Generic

Status   Registered   **Status date**   17 November 2011

Planned review date   31 December 2018   **Date version published**   20 November 2014

This achievement standard involves demonstrating understanding of accounting processing using accounting software.

Achievement Criteria

Achievement	Achievement with Merit	Achievement with Excellence
• Demonstrate understanding of accounting processing using accounting software.	• Demonstrate in-depth understanding of accounting processing using accounting software.	• Demonstrate comprehensive understanding of accounting processing using accounting software.

Explanatory Notes

1   This achievement standard is aligned with *The New Zealand Curriculum*, Learning Media, Ministry of Education, 2007; and is related to the material in the *Teaching and Learning Guide for Accounting*, Ministry of Education, 2010 at http://seniorsecondary.tki.org.nz.

2   *Demonstrate understanding of accounting processing* involves:
    • using an appropriate chart of accounts
    • processing frequent transactions.
    Frequent transactions relate to entries for:
    • cash receipts
    • cash payments
    • cash and/or credit sales of three different items of inventory
    • cash and/or credit purchases for each item of inventory.

Demonstrate in-depth understanding of accounting processing involves:
- using an appropriate chart of accounts to set-up inventory, cost of goods sold and sales accounts for each item of inventory and classifying new accounts
- processing frequent transactions and infrequent transactions.

Infrequent transactions relate to entries for:
- inventory returns
- sundry charges
- drawing of goods
- inventory shortage and/or losses
- purchase of an item of plant or equipment on credit
- correction of errors.

Demonstrate comprehensive understanding of accounting processing involves:
- using an appropriate chart of accounts to set-up inventory, cost of goods sold and sales accounts for each item of inventory and classifying new accounts for each financial element except equity
- processing frequent, infrequent, and complex transactions, and using the banking function or equivalent to split one total (eg banking total or payment total) into more than one account.

Complex transactions relate to entries for:
- straight line depreciation of an item of plant or equipment from end of last reporting period to date of disposal
- disposal of an item of plant or equipment for more or less than carrying amount
- correcting a complex error, where three accounts are affected such as:
  - a GST expense incorrectly entered in a non-GST expense account or vice versa
  - cash drawings incorrectly entered as a GST expense.

3   The *accounting processing* is for an entity that is registered for GST on the invoice basis and uses a computerised perpetual inventory system.

4   Conditions of Assessment related to this achievement standard can be found at http://ncea.tki.org.nz/Resources-for-Internally-Assessed-Achievement-Standards.

Replacement Information
This achievement standard replaced AS90226.

Quality Assurance

1   Providers and Industry Training Organisations must have been granted consent to assess by NZQA before they can register credits from assessment against achievement standards.

2   Organisations with consent to assess and Industry Training Organisations assessing against achievement standards must engage with the moderation system that applies to those achievement standards.

Consent and Moderation Requirements (CMR) reference   0233