**Must Know Content and Skills for the VCE Accounting Exam**

**Definitions**

**Qualitative Characteristics (TURFCV)**

Timeliness

Understandability

Relevance

Faithful Representation

Comparability

Verifiability

**Accounting Assumptions (PEAG)**

Period

Entity

Accrual Basis

Going Concern

**Accounting Elements**

Assets

Current Assets

Non-Current Assets

Liabilities

Current Liabilities

Non-Current Liabilities

Owner’s Equity

Revenues

Discount Revenue

Expenses

Discount Expense

**Financial Indicators**

Gross Profit Margin

Net Profit Margin

Return on Assets

Asset Turnover

Return on Owner’s Investment

Cash Flow Cover

Working Capital Ratio

Quick Asset Ratio

Debt Ratio

Inventory Turnover

Accounts Payable Turnover

Accounts Receivable Turnover

**Categories of Financial Indicators**

Profitability

Liquidity

Stability

Benchmarks

Previous Period

Budget

Industry Average

Alternative Investments

**General Journal Entries**

Establish a Double Entry System

Contribution of Cash by the Owner

Drawings of Cash by the Owner

Contribution of Non-Current Asset at Fair Value by the Owner

Receipt of Loan Borrowings

Loan Repayment including Interest

Purchase of Non-Current Depreciable Asset using Cash

Purchase of Non-Current Depreciable Asset financed by a Loan

Cash Prepayment of Expense

Cash Payment of Expense

Purchase of Inventory using Cash

Purchase of Inventory on Credit

Purchase of Inventory involving Product and Period Costs on Credit

Return of Inventory to Supplier (Accounts Payable)

Payment to Accounts Payable

Payment to Accounts Payable involving Discount Revenue

Cash Sale of Inventory

Credit Sale of Inventory

Receipt of Unearned Sales Revenue (Deposit from Customer)

Credit Sale of Inventory (Deposit Deducted from Amount Owning)

Return of Inventory by Customer (Accounts Receivable)

Cash Received from Accounts Receivable

Cash Received from Accounts Receivable involving Discount Expense

**General Ledger Accounts Templates**

Accounts Receivable

Sales Returns

Discount Expense

Allowance for Doubtful Debts

Bad Debts (expense)

Inventory

Cost of Sales

Advertising

Inventory Loss

Inventory Write Down

Prepaid Rent Expense

Rent Expense

Accrued Interest Revenue

Interest Revenue

Van

Accumulated Depreciation - Van

Depreciation - Van

Disposal of Van

Loss on Disposal of Van

Profit on Disposal of Van

Accounts Payable

Discount Revenue

Accrued Wages

Wages

GST Clearing

Unearned Sales Revenue

Capital

Profit and Loss Summary

Drawings

**Inventory Cards**

First In, First Out Cost Assignment Method

Sales Return of Inventory

Purchase Return of Inventory

Inventory Loss

Inventory Gain

Inventory Write Down

Identified Cost Assignment Method

Sales Return of Inventory

Purchase Return of Inventory

Inventory Loss

Inventory Gain

Inventory Write Down

**Other Tasks**

Prepare a Balance Sheet

Prepare an Income Statement

Prepare a Cash Flow Statement

Distinguish between cash and profit

Explain the effect of transactions on the accounting equation / reports

Post Statement of Account transactions into Accounts Receivable or Accounts Payable

Distinguish between product and period costs

Effect of alternative cost assignment methods on the accounting equation / reports

Implications of alternative methods of depreciation on accounting reports

Justify the method of depreciation selected

Use of Variance Reports for Cash Flow Statements and Income Statements

Strategies to Improve Business Performance

Non-Financial Information