VCE Accounting 2019–2024

Frequently Asked Questions

1. The use of special journals is not included in the key knowledge or key skills for   
   Units 3 and 4. Therefore, transactions are recorded directly into the General Journal. Which date is used when posting transactions to the General Ledger?

All transactions are posted to the General Ledger on the same date they are recorded in the General Journal.

2. Is there an individual General Ledger account for accounts receivable and accounts payable, or should there be one overall account for each?

Both approaches are acceptable. The approach used will depend on the particular question/scenario used. There may be one overall account for each of accounts receivable and accounts payable, or there may be individual accounts for different accounts receivable and accounts payable.

3. Are discounts included in VCE Accounting for accounts receivable and accounts payable?

Discounts are included in Units 2, 3 and 4; however, the Goods and Services tax (GST) on the discount is excluded. Students may be asked to calculate the discount but not the GST on the discount as this amount is likely to be insignificant. In other words, teachers need not teach GST on settlement discounts, which are one of the transaction types in the General Journal.

4. Is the term ‘accounts payable’ applicable when a non-current asset is purchased?

The key knowledge in the study design states that the purchase of a non-current asset is either for cash or financed by a loan. Accounts payable should not be used to record the purchase of a non-current asset.

5. Does GST apply to the disposal of a non-current asset?

GST will apply to the cash disposal of a non-current asset but does not apply to a disposal where there is a trade-in of a non-current asset.

6. Is the recording of depreciation in the General Journal required as part of Unit 4?

Yes. The key skills require students to identify and record financial data in the General Journal and the General Ledger. The key knowledge identifies the two methods of depreciation that students are required to study: straight line and reducing balance.

7. Which abbreviations are acceptable to use in VCE Accounting?

The only generally acceptable abbreviations for VCE Accounting are Accumulated Depreciation   
(Acc Depn) and Profit and Loss Summary (P&L summary). Abbreviations are not generally accepted within accounting reports as they represent a breach of understandability.

8. When recording a sales return using FIFO, should the last sale in the ‘out’ column be used?

The cost of each inventory item will be calculated by using the latest cost prices shown in the OUT column of the inventory card (reversing the last out). It does not have to be the last sale item. Under FIFO we are trying to return the inventory card to what it would have been if the transaction had not occurred (but all the transactions that occurred after the original sale that was returned had). This is achieved by reversing the last items in the out column, regardless of whether it was a sale or drawings.