



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **BSBFIA401A Prepare financial reports**

**Revision Number: 1**

## BSBFIA401A Prepare financial reports

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit describes the performance outcomes, skills and knowledge required to record general journal adjustment entries and to prepare end of period financial reports.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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### Application of the Unit

<b>Application of the unit</b>	<p>This unit applies to individuals employed in a range of work environments who are responsible for preparing financial reports. They may work as individuals providing administrative support within an enterprise, or they might have responsibility for these tasks in relation to their own workgroup or role.</p>
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Maintain asset register	<p>1.1. Prepare a register of property, plant and equipment from fixed asset transactions in accordance with organisational policy and procedures</p> <p>1.2. Determine method of <b>calculating depreciation</b> in accordance with organisational requirements</p> <p>1.3. Maintain asset register and associated depreciation schedule in accordance with organisational policy, procedures and accounting requirements</p>
2. Record general journal entries for balance day adjustments	<p>2.1. Record depreciation of non-current assets and disposal of fixed assets in accordance with organisational policy, procedures and accounting requirements</p> <p>2.2. Adjust <b>expense accounts</b> and <b>revenue accounts</b> for <b>prepayments and accruals</b></p> <p>2.3. Record <b>bad and doubtful debts</b> in accordance with organisational policy, procedures and accounting requirements</p> <p>2.4. Adjust ledger accounts for <b>inventories</b>, if required, and transfer to <b>final accounts</b></p>
3. Prepare final general ledger accounts	<p>3.1. Enter general journal entries for balance day adjustments in general ledger system in accordance with organisational policy, procedures and accounting requirements</p> <p>3.2. Post revenue and expense account balances to final general ledger accounts system</p> <p>3.3. Prepare final general ledger accounts to reflect gross and net profits for reporting period</p>
4. Prepare end of period financial reports	<p>4.1. Prepare <b>revenue statement</b> in accordance with organisational requirements to reflect operating profit for <b>reporting period</b></p> <p>4.2. Prepare <b>balance sheet</b> to reflect financial position of business at end of reporting period</p> <p>4.3. Identify and correct, or refer errors for resolution in accordance with organisational policy and procedures</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- communication skills to clarify reporting requirements and obtain required data
- literacy skills to:
  - identify financial information
  - follow the Australian Accounting and Auditing Standards
  - follow the organisation's accounting procedures
- numeracy skills to calculate percentages, addition and subtraction.

#### Required knowledge

- double-entry bookkeeping principles
- general journal and general ledger entries
- key provisions of relevant legislation and regulations from all forms of government, standards and codes that may affect aspects of business operations, such as:
  - Australian Taxation Office regulations
  - accounting and auditing standards
  - Goods and Services Tax (GST) regulations
  - anti-discrimination legislation
  - ethical principles
  - codes of practice
  - finance legislation
  - privacy laws
  - occupational health and safety
- organisational accounting systems
- organisational policies, procedures and accounting requirements.

## Evidence Guide

### EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

#### Overview of assessment

#### Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- preparing financial reports
- applying the Australian Accounting and Auditing Standards
- applying double-entry principles.

#### Context of and specific resources for assessment

Assessment must ensure:

- access to office equipment and resources, such as:
- calculator
- computer equipment and relevant software
- Australian Accounting and Auditing Standards
- access to samples of financial data
- access to workplace reference materials such as procedural manuals and company policy.

#### Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- analysis of responses to case studies and scenarios
- demonstration of techniques
- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of authenticated documents from the workplace or training environment
- oral or written questioning to assess knowledge of accounting procedures and techniques.

#### Guidance information for assessment

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- other financial administration units.

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<b><i>Calculating depreciation</i></b> may include:	<ul style="list-style-type: none"> <li>• reducing balance method</li> <li>• straight-line method</li> </ul>
<b><i>Expense accounts</i></b> may include:	<ul style="list-style-type: none"> <li>• distribution expenses</li> <li>• electricity</li> <li>• freight inward and outward</li> <li>• insurance</li> <li>• interest paid</li> <li>• rates</li> <li>• rent paid</li> <li>• telephone and fax</li> <li>• wages and salaries</li> </ul>
<b><i>Revenue accounts</i></b> may include:	<ul style="list-style-type: none"> <li>• commission received</li> <li>• interest received</li> <li>• rent received</li> </ul>
<b><i>Prepayments and accruals</i></b> may include:	<ul style="list-style-type: none"> <li>• accrued expenses</li> <li>• accrued revenue</li> <li>• prepaid expenses</li> <li>• prepaid revenue</li> </ul>
<b><i>Bad and doubtful debts</i></b> may include:	<ul style="list-style-type: none"> <li>• calculating provision for doubtful debts</li> <li>• writing off bad debts against provision for doubtful debts</li> </ul>
<b><i>Inventories</i></b> may include:	<ul style="list-style-type: none"> <li>• goods for resale</li> <li>• stationery and other office supplies</li> </ul>
<b><i>Final accounts</i></b> may include:	<ul style="list-style-type: none"> <li>• profit and loss</li> <li>• trading</li> </ul>
<b><i>Revenue statement</i></b> comprises:	<ul style="list-style-type: none"> <li>• cost of goods sold if applicable</li> <li>• gross profit</li> <li>• operating net profit</li> <li>• unclassified adjusted expenses and revenue</li> </ul>
<b><i>Reporting period</i></b> may include:	<ul style="list-style-type: none"> <li>• as determined in organisational procedures</li> <li>• financial year</li> </ul>

**RANGE STATEMENT****Balance sheet** comprises:

- narrative or T format
- unclassified assets and liabilities

**Unit Sector(s)****Unit sector****Competency field****Competency field**

Finance - Financial Administration

**Co-requisite units****Co-requisite units**