



Australian Government

Department of Education, Employment and Workplace Relations

BSBADM408A Prepare financial reports

Release: 1

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Modification History

Not applicable.

Unit Descriptor

This unit covers recording general journal adjustment entries and preparing end-of-period financial reports such as revenue statements and balance sheets for a non-reporting entity.

This unit is related to BSBADM310A Maintain a general ledger.

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Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

Not applicable.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

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Element	Performance Criteria
1 Maintain asset register	1.1 A register of property, plant and equipment is prepared from fixed asset transactions in accordance with organisational policy and procedures 1.2 Method of calculating depreciation is determined in accordance with organisational requirements 1.3 Asset register and associated depreciation schedule are maintained in accordance with organisational policy and procedures and accounting requirements
2 Record general journal entries for balance day adjustments	2.1 Depreciation of non-current assets and disposal of fixed assets are recorded in accordance with organisational policy and procedures 2.2 Expense and revenue accounts are adjusted for prepayments and accruals in accordance organisational policy and procedures and accounting requirements 2.3 Bad and doubtful debts are recorded in accordance with organisational policy and procedures and accounting requirements 2.4 Ledger accounts are adjusted for inventories, if required, and transferred to final accounts in accordance with organisational policy and procedures and accounting requirements
3 Prepare final general ledger accounts	3.1 General journal entries for balance day adjustments are entered in general ledger system in accordance with organisational policy and procedures and accounting requirements 3.2 Revenue and expense account balances are posted to final general ledger accounts system in accordance with organisational policy and procedures and accounting requirements 3.3 Final general ledger accounts are prepared to reflect gross and net profits for reporting period in accordance with organisational policy and

procedures and accounting requirements

4 Prepare end-of-period financial reports

- 4.1 Revenue statement is prepared in accordance with organisational requirements to reflect operating profit for reporting period
- 4.2 Balance sheet is prepared in accordance with organisational requirements to reflect financial position of business at end of reporting period
- 4.3 Errors are identified and corrected, or referred for resolution in accordance with organisational policy and procedures

Required Skills and Knowledge

Not applicable.

Evidence Guide

The Evidence Guide identifies the critical aspects, underpinning knowledge and skills to be demonstrated to confirm competence for this unit. This is an integral part of the assessment of competence and should be read in conjunction with the Range Statement.

Critical Aspects of Evidence

Integrated demonstration of all elements of competency and their performance criteria

Adherence to Australian Accounting and Auditing Standards

Adherence to double-entry principles

Systematic tracing of errors

Underpinning Knowledge

* At this level the learner must demonstrate understanding of a broad knowledge base incorporating some theoretical concepts.

Relevant legislation from all levels of government that affects business operation, especially in regard to Occupational Health and Safety and environmental issues, equal opportunity, industrial relations and anti-discrimination

Knowledge of organisation's policies, procedures and accounting requirements

Knowledge of organisation's accounting systems

Double-entry bookkeeping principles

General journal and general ledger entries

Underpinning Skills

Literacy skills to identify financial information, to follow Australian Accounting and Auditing Standards and the organisation's accounting procedures

Communication skills including questioning, clarifying, reporting

Numeracy skills in relation to calculation of percentages, simple addition and subtraction

Ability to relate to people from a range of social, cultural and ethnic backgrounds and physical and mental abilities

Resource Implications

The learner and trainer should have access to appropriate documentation and resources normally used in the workplace which may include:

Australian Accounting and Auditing Standards

Organisational accounting procedures

Consistency of Performance

In order to achieve consistency of performance, evidence should be collected over a set period of time which is sufficient to include dealings with an appropriate range and variety of situations

Context/s of Assessment

Competency is demonstrated by performance of all stated criteria, including paying particular attention to the critical aspects and the knowledge and skills elaborated in the Evidence Guide, and within the scope as defined by the Range Statement

Assessment must take account of the endorsed assessment guidelines in the Business Services Training Package

Assessment of performance requirements in this unit should be undertaken in an actual workplace or simulated environment

Assessment should reinforce the integration of the key competencies and the business services common competencies for the particular AQF level. Refer to the Key Competency Levels at the end of this unit

Key Competency Levels

Collecting, analysing and organising information (Level 2)- to prepare an asset register

Communicating ideas and information (Level 1)- through revenue statements and balance sheets

Planning and organising activities (Level 1)- to prepare end-of-period financial reports

Working with teams and others (Level 1)- to correct or refer errors for resolution

Using mathematical ideas and techniques (Level 2)- to calculate depreciation

Solving problems (Level 2)- to ensure accounts balance

Using technology (Level 2)- to prepare or generate financial reports as required

Please refer to the Assessment Guidelines for advice on how to use the Key Competencies

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Using mathematical ideas and techniques (Level 2)- to calculate depreciation

Solving problems (Level 2)- to ensure accounts balance

Using technology (Level 2)- to prepare or generate financial reports as required

Please refer to the Assessment Guidelines for advice on how to use the Key Competencies

Range Statement

The Range Statement provides advice to interpret the scope and context of this unit of competence, allowing for differences between enterprises and workplaces. It relates to the unit as a whole and facilitates holistic assessment. The following variables may be present for this particular unit:

Legislation, codes and national standards relevant to the workplace which may include:

award and enterprise agreements and relevant industrial instruments
relevant legislation from all levels of government that affects business operation, especially in regard to Occupational Health and Safety and environmental issues, equal opportunity, industrial relations and anti-discrimination
relevant industry codes of practice

Calculation of depreciation may include:

straight-line method
reducing balance method

Expense accounts may include:

rent paid
insurance
rates
wages and salaries
freight inward/outward
interest paid
distribution expenses
electricity
telephone/fax

Revenue accounts may include:

interest received
commission received
rent received

Prepayments and accruals may include:

prepaid expenses
prepaid revenue
accrued expenses
accrued revenue

Bad and doubtful debts may include:

writing off bad debts against provision for doubtful debts
calculation of provision for doubtful debts

Inventories may include:

goods for resale
stationery/office supplies

Final accounts may include:

Trading
profit and loss

Revenue statement comprises:

cost of goods sold if applicable
unclassified adjusted expenses and revenue
gross profit
operating net profit

Reporting period may include:

financial year

as determined in organisational procedures

Balance sheet comprises:

narrative or T format

unclassified assets and liabilities

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relevant legislation from all levels of government that affects business operation, especially in regard to Occupational Health and Safety and environmental issues, equal opportunity, industrial relations and anti-discrimination

relevant industry codes of practice

Calculation of depreciation may include:

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reducing balance method

Expense accounts may include:

rent paid

insurance

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wages and salaries

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interest paid

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Revenue accounts may include:

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unclassified assets and liabilities

Unit Sector(s)

Not applicable.