



**education**

Department:  
Education  
REPUBLIC OF SOUTH AFRICA

# **NATIONAL CERTIFICATES (VOCATIONAL)**

## **ASSESSMENT GUIDELINES**

### **APPLIED ACCOUNTING**

#### **NQF Level 4**

September 2007



# **APPLIED ACCOUNTING – LEVEL 4**

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## SECTION A: PURPOSE OF THE SUBJECT ASSESSMENT GUIDELINES

This document provides the lecturer with guidelines to develop and implement a coherent, integrated assessment system for Applied Accounting in the National Certificates (Vocational). It must be read with the *National Policy Regarding Further Education and Training Programmes: Approval of the Documents, Policy for the National Certificates (Vocational) Qualifications at Levels 2 to 4 on the National Qualifications Framework (NQF)*. This assessment guideline will be used for National Qualifications Framework Levels 2-4.

This document explains the requirements for the internal and external subject assessment. The lecturer must use this document with the *Subject Guidelines: Applied Accounting* to prepare for and deliver Applied Accounting. Lecturers should use a variety of resources and apply a range of assessment skills in the setting, marking and recording of assessment tasks.

## SECTION B: ASSESSMENT IN THE NATIONAL CERTIFICATES (VOCATIONAL)

### 1 ASSESSMENT IN THE NATIONAL CERTIFICATES (VOCATIONAL)

Assessment in the National Certificates (Vocational) is underpinned by the objectives of the National Qualifications Framework (NQF). These objectives are to:

- Create an integrated national framework for learning achievements.
- Facilitate access to and progression within education, training and career paths.
- Enhance the quality of education and training.
- Redress unfair discrimination and past imbalances and thereby accelerate employment opportunities.
- Contribute to the holistic development of the student by addressing:
  - social adjustment and responsibility;
  - moral accountability and ethical work orientation;
  - economic participation; and
  - nation-building.

The principles that drive these objectives are:

- **Integration**

To adopt a unified approach to education and training that will strengthen the human resources development capacity of the nation.

- **Relevance**

To be dynamic and responsive to national development needs.

- **Credibility**

To demonstrate national and international value and recognition of qualification and acquired competencies and skills.

- **Coherence**

To work within a consistent framework of principles and certification.

- **Flexibility**

To allow for creativity and resourcefulness when achieving Learning Outcomes, to cater for different learning styles and use a range of assessment methods, instruments and techniques.

- **Participation**

To enable stakeholders to participate in setting standards and co-ordinating the achievement of the qualification.

- **Access**

To address barriers to learning at each level to facilitate students' progress.

- **Progression**

To ensure that the qualification framework permits individuals to move through the levels of the national qualification via different, appropriate combinations of the components of the delivery system.

- **Portability**

To enable students to transfer credits of qualifications from one learning institution and/or employer to another institution or employer.

- **Articulation**

To allow for vertical and horizontal mobility in the education system when accredited pre-requisites have been successfully completed.

- **Recognition of Prior Learning**

To grant credits for a unit of learning following an assessment or if a student possesses the capabilities specified in the outcomes statement.

- **Validity of assessments**

To ensure assessment covers a broad range of knowledge, skills, values and attitudes (SKVAs) needed to demonstrate applied competency. This is achieved through:

- clearly stating the outcome to be assessed;
- selecting the appropriate or suitable evidence;
- matching the evidence with a compatible or appropriate method of assessment; and
- selecting and constructing an instrument(s) of assessment.

- **Reliability**

To assure assessment practices are consistent so that the same result or judgment is arrived at if the assessment is replicated in the same context. This demands consistency in the interpretation of evidence; therefore, careful monitoring of assessment is vital.

- **Fairness and transparency**

To verify that no assessment process or method(s) hinders or unfairly advantages any student. The following could constitute unfairness in assessment:

- Inequality of opportunities, resources or teaching and learning approaches
- Bias based on ethnicity, race, gender, age, disability or social class
- Lack of clarity regarding Learning Outcome being assessed
- Comparison of students' work with other students, based on learning styles and language

- **Practicability and cost-effectiveness**

To integrate assessment practices within an outcomes-based education and training system and strive for cost and time-effective assessment.

## **2 ASSESSMENT FRAMEWORK FOR VOCATIONAL QUALIFICATIONS**

The assessment structure for the National Certificates (Vocational) qualification is as follows:

### **2.1 Internal continuous assessment (ICASS)**

Knowledge, skills values, and attitudes (SKVAs) are assessed throughout the year using assessment instruments such as projects, tests, assignments, investigations, role-play and case studies. The internal continuous assessment (ICASS) practical component is undertaken in a real workplace, a workshop or a "Structured Environment". This component is moderated internally, and externally quality assured by Umalusi. All internal continuous assessment (ICASS) evidence is kept in a Portfolio of Evidence (PoE) and must be readily available for monitoring, moderation and verification purposes.

### **2.2 External summative assessment (ESASS)**

The external summative assessment is either a single or a set of written papers set to the requirements of the Subject Learning Outcomes. The Department of Education administers the theoretical component according to relevant assessment policies.

A compulsory component of external summative assessment (ESASS) is the **integrated summative assessment task (ISAT)**. This assessment task draws on the students' cumulative learning throughout the year. The task requires **integrated application of competence** and is executed under strict assessment conditions. The task should take place in a simulated or "Structured Environment". The integrated summative assessment task (ISAT) is the most significant test of students' ability to apply acquired knowledge.

The integrated assessment approach allows students to be assessed in more than one subject with the same integrated summative assessment task (ISAT).

External summative assessments will be conducted annually between October and December, with provision made for supplementary sittings.

### 3 MODERATION OF ASSESSMENT

#### 3.1 Internal moderation

Assessment must be moderated according to the internal moderation policy of the Further Education and Training (FET) college. Internal college moderation is a continuous process. The moderator's involvement starts with the planning of assessment methods and instruments and follows with continuous collaboration with and support to the assessors. Internal moderation creates common understanding of Assessment Standards and maintains these across vocational programmes.

#### 3.2 External moderation

External moderation is conducted by the Department of Education, Umalusi and, where relevant, an Education and Training Quality Assurance (ETQA) body according to South African Qualifications Authority (SAQA) and Umalusi standards and requirements.

The external moderator:

- monitors and evaluates the standard of all summative assessments;
- maintains standards by exercising appropriate influence and control over assessors;
- ensures proper procedures are followed;
- ensures summative integrated assessments are correctly administered;
- observes a minimum sample of ten (10) to twenty-five (25) percent of summative assessments;
- gives written feedback to the relevant quality assessor; and
- moderates in case of a dispute between an assessor and a student.

Policy on inclusive education requires that assessment procedures be customised for students who experience barriers to learning, and supported to enable these students to achieve their maximum potential.

### 4 PERIOD OF VALIDITY OF INTERNAL CONTINUOUS ASSESSMENT (ICASS)

The period of validity of the internal continuous assessment mark is determined by the *National Policy on the Conduct, Administration and Management of the Assessment of the National Certificates (Vocational)*.

The internal continuous assessment (ICASS) must be re-submitted with each examination enrolment for which it constitutes a component.

### 5 ASSESSOR REQUIREMENTS

Assessors must be subject specialists and should ideally be declared competent against the standards set by the ETDP SETA. If the lecturer conducting the assessments has not been declared a competent assessor, an assessor who has been declared competent may be appointed to oversee the assessment process to ensure the quality and integrity of assessments.

### 6 TYPES OF ASSESSMENT

Assessment benefits the student and the lecturer. It informs students about their progress and helps lecturers make informed decisions at different stages of the learning process. Depending on the intended purpose, different types of assessment can be used.

## 6.1 Baseline assessment

At the beginning of a level or learning experience, baseline assessment establishes the knowledge, skills, values and attitudes (SKVAs) that students bring to the classroom. This knowledge assists lecturers to plan learning programmes and learning activities.

## 6.2 Diagnostic assessment

This assessment diagnoses the nature and causes of learning barriers experienced by specific students. It is followed by guidance, appropriate support and intervention strategies. This type of assessment is useful to make referrals for students requiring specialist help.

## 6.3 Formative assessment

This assessment monitors and supports teaching and learning. It determines student strengths and weaknesses and provides feedback on progress. It determines if a student is ready for summative assessment.

## 6.4 Summative assessment

This type of assessment gives an overall picture of student progress at a given time. It determines whether the student is sufficiently competent to progress to the next level.

## 7 PLANNING ASSESSMENT

An assessment plan should cover three main processes:

### 7.1 Collecting evidence

The assessment plan indicates which Subject Outcomes and Assessment Standards will be assessed, what assessment method or activity will be used and when this assessment will be conducted.

### 7.2 Recording

Recording refers to the assessment instruments or tools with which the assessment will be captured or recorded. Therefore, appropriate assessment instruments must be developed or adapted.

### 7.3 Reporting

All the evidence is put together in a report to deliver a decision for the subject.

## 8 METHODS OF ASSESSMENT

Methods of assessment refer to who carries out the assessment and includes lecturer assessment, self-assessment, peer assessment and group assessment.

<b>LECTURER ASSESSMENT</b>	The lecturer assesses students' performance against given criteria in different contexts, such as individual work, group work, etc.
<b>SELF-ASSESSMENT</b>	Students assess their own performance against given criteria in different contexts, such as individual work, group work, etc.
<b>PEER ASSESSMENT</b>	Students assess another student's or group of students' performance against given criteria in different contexts, such as individual work, group work, etc.
<b>GROUP ASSESSMENT</b>	Students assess the individual performance of other students within a group or the overall performance of a group of students against given criteria.

## 9 INSTRUMENTS AND TOOLS FOR COLLECTING EVIDENCE

All evidence collected for assessment purposes is kept or recorded in the student's PoE.

The following table summarises a variety of methods and instruments for collecting evidence. A method and instrument is chosen to give students ample opportunity to demonstrate that the Subject Outcome has been attained. This will only be possible if the chosen methods and instruments are appropriate for the target group and the Specific Outcome being assessed.

	METHODS FOR COLLECTING EVIDENCE		
	Observation-based (Less structured)	Task-based (Structured)	Test-based (More structured)
<b>Assessment instruments</b>	<ul style="list-style-type: none"> <li>• Observation</li> <li>• Class questions</li> <li>• Lecturer, student, parent discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Assignments or tasks</li> <li>• Projects</li> <li>• Investigations or research</li> <li>• Case studies</li> <li>• Practical exercises</li> <li>• Demonstrations</li> <li>• Role-play</li> <li>• Interviews</li> </ul>	<ul style="list-style-type: none"> <li>• Examinations</li> <li>• Class tests</li> <li>• Practical examinations</li> <li>• Oral tests</li> <li>• Open-book tests</li> </ul>
<b>Assessment tools</b>	<ul style="list-style-type: none"> <li>• Observation sheets</li> <li>• Lecturer's notes</li> <li>• Comments</li> </ul>	<ul style="list-style-type: none"> <li>• Checklists</li> <li>• Rating scales</li> <li>• Rubrics</li> </ul>	<ul style="list-style-type: none"> <li>• Marks (e.g. %)</li> <li>• Rating scales (1-7)</li> </ul>
<b>Evidence</b>	<ul style="list-style-type: none"> <li>• Focus on individual students</li> <li>• Subjective evidence based on lecturer observations and impressions</li> </ul>	<p><b>Open middle:</b> Students produce the same evidence but in different ways.</p> <p><b>Open end:</b> Students use same process to achieve different results.</p>	Students answer the same questions in the same way, within the same time.

## 10 TOOLS FOR ASSESSING STUDENT PERFORMANCE

**Rating scales** are marking systems where a symbol (such as 1 to 7) or a mark (such as 5/10 or 50%) is defined in detail. The detail is as important as the coded score. Traditional marking, assessment and evaluation mostly used rating scales without details such as what was right or wrong, weak or strong, etc.

**Task lists** and **checklists** show the student what needs to be done. These consist of short statements describing the expected performance in a particular task. The statements on the checklist can be ticked off when the student has adequately achieved the criterion. Checklists and task lists are useful in peer or group assessment activities.

**Rubrics** are a hierarchy (graded levels) of criteria with benchmarks that describe the minimum level of acceptable performance or achievement for each criterion. Using rubrics is a different way of assessing and cannot be compared to tests. Each criterion described in the rubric must be assessed separately. Mainly two types of rubrics, namely holistic and analytical, are used.

## 11 SELECTING AND/OR DESIGNING RECORDING AND REPORTING SYSTEMS

The selection or design of recording and reporting systems depends on the purpose of recording and reporting student achievement. **Why** particular information is recorded and **how** it is recorded determine which instrument will be used.

Computer-based systems, for example spreadsheets, are cost and time effective. The recording system should be user-friendly and information should be easily accessed and retrieved.

## 12 COMPETENCE DESCRIPTIONS

All assessment should award marks to evaluate specific assessment tasks. However, marks should be awarded against rubrics and not simply be a total of ticks for right answers. Rubrics should explain the competence level descriptors for the skills, knowledge, values and attitudes (SKVAs) that a student must demonstrate to achieve each level of the rating scale.

When lecturers or assessors prepare an assessment task or question, they must ensure that the task or question addresses an aspect of a Subject Outcome. The relevant Assessment Standard must be used to create the rubric to assess the task or question. The descriptions must clearly indicate the minimum level of attainment for each category on the rating scale.



### 13 STRATEGIES FOR COLLECTING EVIDENCE

A number of different assessment instruments may be used to collect and record evidence. Examples of instruments that can be (adapted and) used in the classroom include:

#### 13.1 Record sheets

The lecturer observes students working in a group. These observations are recorded in a summary table at the end of each project. The lecturer can design a record sheet to observe students' interactive and problem-solving skills, attitudes towards group work and involvement in a group activity.

#### 13.2 Checklists

Checklists should have clear categories to ensure that the objectives are effectively met. The categories should describe how the activities are evaluated and against what criteria they are evaluated. Space for comments is essential.

## SECTION C: ASSESSMENT IN APPLIED ACCOUNTING

### 1 SCHEDULE OF ASSESSMENT

At NQF levels 2, 3 and 4, lecturers will conduct assessments as well as develop a schedule of formal assessments that will be undertaken in the year. Each of the three levels has an external examination that accounts for 50 percent of the total mark. The marks allocated to assessment tasks completed during the year, kept or recorded in a PoE, account for the other 50 percent.

The PoE and the external assessment include practical and written components. The practical assessment in Applied Accounting must, where necessary, be subjected to external moderation by Umalusi or an appropriate Education and Training Quality Assurance (ETQA) body, appointed by the Umalusi Council in terms of Section 28(2) of the *General and Further Education and Training Quality Assurance Act, 2001 (Act No. 58 of 2001)*.

### 2 RECORDING AND REPORTING

Applied Accounting, as is the case for all the other Vocational subjects, is assessed according to five levels of competence. The level descriptions are explained in the following table.

#### **Scale of Achievement for the Vocational component**

RATING CODE	RATING	MARKS %
5	Outstanding	80-100
4	Highly Competent	70-79
3	Competent	50-69
2	Not yet competent	40-49
1	Not achieved	0-39

The programme of assessment should be recorded in the lecturer's Portfolio of Assessment for each subject. The following at least should be included in the lecturer's Assessment Portfolio:

- A contents page
- The formal schedule of assessment
- The requirements for each assessment task
- The tools used for each assessment task
- Recording instrument(s) for each assessment task
- A mark sheet and report for each assessment task

The college must standardise these documents.

The student's PoE must include at least:

- A contents page
- The assessment tasks according to the assessment schedule
- The assessment tools or instruments for the task
- A record of the marks (and comments) achieved for each task

Where a task cannot be contained as evidence in the PoE, its exact location must be recorded and it must be readily available for moderation purposes.

The following units guide internal assessment in Applied Accounting Levels 2, 3 and 4:

<b>NUMBER OF UNITS</b>	<b>ASSESSMENT</b>	<b>COVERAGE</b>
2	Formal written tests	One or more completed topics
1	Internal written exam	All completed topics
3	Practical assessments	Must cover the related Subject Outcomes <u>EXAMPLES:</u> <ul style="list-style-type: none"><li>• Do the financial recordkeeping of a simulated business from simulated documents (not a textbook).</li><li>• Advise a person from the informal business sector to use a cash book and to do profit calculation as a community project.</li></ul>

**ASSESSMENT OF APPLIED ACCOUNTING  
LEVEL 4**

### 3 INTERNAL ASSESSMENT OF SUBJECT OUTCOMES IN APPLIED ACCOUNTING - LEVEL 4

#### Topic 1: Financial year end procedures (adjustments)

SUBJECT OUTCOME	
<p><b>1.1 Demonstrate an understanding of adjustments at the financial year end</b> <i>Range: Use in continuous stock system.</i></p>	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> <li>The purpose of adjustments at the financial year end is explained.</li> <li>The influence of adjustments on nominal and balance sheet accounts is explained.</li> </ul>	<ul style="list-style-type: none"> <li>Explain and demonstrate the purpose of adjustments at the financial year end.</li> <li>Explain and demonstrate the influence of adjustments on balance sheet and nominal section accounts according to Generally Accepted Accounting Practice (GAAP) in the continuous stock system.</li> </ul>
ASSESSMENT TASKS OR ACTIVITIES	
<p>The students can be asked to interpret specific items from a balance sheet or nominal section account to be adjusted.</p>	

SUBJECT OUTCOME	
<p><b>1.2 Demonstrate an understanding of adjustments of the balance sheet accounts.</b> <i>Range: Use in continuous stock system.</i></p>	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> <li>Adjustments are explained and calculated. <i>Range: Limited to bad debts, provision for bad debts (create, increase, decrease), depreciation, stock deficit and consumable stores on hand.</i></li> <li>Adjustments are recorded in the General Journal.</li> <li>Adjustments are posted to general ledger. <i>Range: From the General journal.</i></li> </ul>	<ul style="list-style-type: none"> <li>Calculate the amount of adjustments accurately.</li> <li>Record the adjustments correctly in the general journal.</li> <li>Post to correct accounts in the general ledger according to GAAP in a continuous stock system. <i>Range: Limited to bad debts provision for bad debts (create, increase, decrease), depreciation, stock deficit, consumable stores on hand.</i></li> </ul>
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> <li>Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>Assignments to evaluate understanding of the topic, starting with a trial balance, identify and calculate adjustments, do the general journal entries and post to general ledger.</li> </ul>	

SUBJECT OUTCOME	
<p><b>1.3. Demonstrate an understanding of adjustments of income accounts (nominal accounts).</b></p>	
ASSESSMENT STANDARD	LEARNING OUTCOME
<ul style="list-style-type: none"> <li>Adjustments are explained and calculated. <i>Range: Limited to accrued income and income received in advance</i></li> <li>Adjustments are recorded in the General Journal</li> <li>Adjustments are posted to general ledger. <i>Range: From the general journal.</i></li> </ul>	<ul style="list-style-type: none"> <li>Calculate the amount of adjustments accurately.</li> <li>Record the adjustments correctly in the general journal.</li> <li>Post to correct accounts in the general ledger.</li> <li>According to GAAP in a continuous stock system. <i>Range: Limited to accrued income and income received in advance.</i></li> </ul>
ASSESSMENT TASKS OR ACTIVITIES	
<ul style="list-style-type: none"> <li>Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>Assignments to evaluate understanding of the topic, starting with a trial balance, identify and calculate adjustments, do the general journal entries and post to general ledger.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>1.4. Demonstrate an understanding of adjustments of expense accounts (nominal accounts).</b> <i>Range: Use in continuous stock system.</i>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>Adjustments are explained and calculated <i>Range: Limited to accrued expenses and prepaid expenses.</i></li> <li>Adjustments are recorded in the General Journal</li> <li>Adjustments are posted to general ledger. <i>Range: From the general journal.</i></li> </ul>	<ul style="list-style-type: none"> <li>Calculate the amount of adjustments accurately.</li> <li>Record the adjustments correctly in the general journal.</li> <li>Post to correct accounts in the general ledger according to GAAP in a continuous stock system. <i>Range: Limited to accrued expenses and prepaid expenses.</i></li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>Assignments to evaluate understanding of the topic, starting with a trial balance, identify and calculate adjustments, do the general journal entries and post to general ledger.</li> <li>Topic test before students advance to the next topic.</li> </ul>	

## Topic 2: Financial year end profit or loss calculations

<b>SUBJECT OUTCOME</b>	
<b>2.1 Explain the concept of profit.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The concept of gross profit is explained.</li> <li>The concept of net profit is explained.</li> </ul>	<ul style="list-style-type: none"> <li>Explain the concept of profit.</li> <li>Explain the concept of gross profit.</li> <li>Explain the concept of net profit.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Group work to evaluate the student's understanding of the concept profit.</li> <li>Students can be asked questions to evaluate the understanding of the different types of profit (gross and net).</li> </ul>	

<b>SUBJECT OUTCOMES</b>	
<b>2.2 Demonstrate the calculation of the gross profit in the continuous stock system (after all adjustments have been done).</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>Net sales and cost of sales are transferred to the trading account. <i>Range: From trial balance to general journal and general ledger.</i></li> <li>Gross profit is calculated in the trading account and trading account closed off to the profit and loss account. <i>Range: In general journal and general ledger.</i></li> </ul>	<ul style="list-style-type: none"> <li>Calculate the amount of gross profit accurately.</li> <li>Record the closing transfers correctly in the general journal.</li> <li>Post to correct accounts in the general ledger according to GAAP in a continuous stock system.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Group work (informal, competitive, fun) to evaluate the understanding of the calculations and general journal entries (debit and credit).</li> <li>Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>Practical exercises where the student analyses and organises information from a trial balance in order to calculate the profit or loss.</li> </ul>	

<b>SUBJECT OUTCOMES</b>	
<b>2.3 Demonstrate the calculation of the net profit or loss in the continuous stock system (after all adjustments has been done).</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>Expenses and incomes are transferred to the profit and loss account. <i>Range: From trial balance to general journal and general ledger.</i></li> <li>Net profit or net loss is calculated in the profit and loss account. <i>Range: In general journal and general ledger.</i></li> </ul>	<ul style="list-style-type: none"> <li>Calculate the amount of net profit accurately.</li> <li>Record the closing transfers correctly in the general journal.</li> <li>Post to correct accounts in the general ledger according to GAAP in a continuous stock system.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
Assignments to evaluate understanding of the topic, starting with a trial balance (after adjustments), do the general journal entries and post to general ledger (the same for Subject Outcome 2.2 and 2.3).	

<b>SUBJECT OUTCOMES</b>	
<b>2.4 Demonstrate the influence of the net profit or net loss on capital.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The net profit or net loss is transferred from the profit and loss account to the capital account. <i>Range: In general journal and general ledger.</i></li> <li>Drawings account is closed off properly to the capital account. <i>Range: In general journal and general ledger.</i></li> <li>Balance sheet accounts are closed off properly. <i>Range: In general ledger.</i></li> </ul>	<ul style="list-style-type: none"> <li>Transfer the profit or loss to the capital account using the general journal and general ledger.</li> <li>Transfer the drawings to the capital account using the general journal and general ledger.</li> <li>Close off all balance sheet accounts according to GAAP.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Group work (informal, competitive fun) where the students have to identify the ledger accounts that have an influence on capital by evaluating relevant information.</li> <li>Practical exercises where the student analysis and organises ledger accounts in order to determine the final value of capital after profit/loss calculation.</li> <li>Topic test before students advance to the next topic.</li> </ul>	

### Topic 3: Financial statements

<b>SUBJECT OUTCOME</b>	
<b>3.1. Explain the purpose of financial year end statements.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The purpose of financial year end statements is explained. <i>Range: Use the continuous stock system.</i></li> </ul>	<ul style="list-style-type: none"> <li>Explain the concept of financial year end.</li> <li>Explain the concept of financial statements (income statement and balance sheet).</li> <li>Explain the frameworks of the statements (income statement and balance sheet).</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Group discussions(informal, competitive fun) to evaluate the understanding of the above concepts</li> <li>Short daily tests on the frameworks of the income statement and balance sheet that can be incorporated in the year mark</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>3.2 Prepare the income statement.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The income statement is prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the items from a trial balance to be used on the income statement (nominal accounts).</li> <li>Calculate amounts of year end adjustments to nominal accounts.</li> <li>Adjust the amounts of nominal accounts affected by the year end adjustments.</li> <li>Write down the framework of the income statement.</li> <li>Use the relevant information (general ledger accounts and amounts after adjustments) to complete the income statement according to GAAP.</li> <li>Calculate the gross and net profit on the income statement.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises from a trial balance to draw up the income statement (including adjustments).</li> <li>Practical exercises from a general ledger to draw up the income statement (including adjustments).</li> <li>Daily evaluation of practical exercises and individual remedial work before starting the balance sheet is essential in order to develop each student in this field of study.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>3 3.and 3.4 Prepare the balance sheet and notes to the balance sheet.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The notes to the balance sheet are prepared <i>Range: Use the continuous stock system.</i> <i>Notes include: non-current assets, other financial assets, stock, trade and other debtors, cash and cash equivalents, capital, non-current liabilities and trade and other creditors.</i></li> <li>The balance sheet is prepared</li> </ul>	<ul style="list-style-type: none"> <li>Identify the items from a trial balance to be used on the balance sheet (balance sheet accounts).</li> <li>Calculate amounts of year end adjustments to balance sheet accounts.</li> <li>Adjust the amounts of balance sheet accounts affected by the year end adjustments.</li> <li>Write down the framework of the balance sheet and the notes to the balance sheet.</li> <li>Use the relevant information (general ledger accounts and amounts) to complete the balance sheet and the notes to the balance sheet according to GAAP.</li> </ul> <p><i>Range: The notes to the balance sheet will include non-current assets, other financial assets, stock, trade and other debtors, cash and cash equivalents, capital, non-current liabilities, trade and other creditors.</i></p>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises from a trial balance to draw up the balance sheet and notes to the balance sheet.</li> <li>Practical exercises from a general ledger to draw up the balance sheet.</li> <li>Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>Topic test before students advance to the next topic.</li> </ul>	

**Topic 4: Accounting software**

<b>SUBJECT OUTCOME</b>	
<b>4.1 Explain the use of accounting software.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The use of accounting software is explained..</li> </ul>	<ul style="list-style-type: none"> <li>Perform basic functions on a personal computer.</li> <li>Explain the use of accounting software.</li> <li>Explain the relationship between transactions done manually (by hand) and on accounting software.</li> <li>Explain the basic functions of the accounting software program.</li> <li>Explain the copying of a file on the accounting software.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical activities on computers where students have to follow procedures step by step and corrections have to be done before continuing to the next step.</li> <li>Group work in order to evaluate the understanding of the students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.2 Demonstrate the recording of take-on balances</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The recording of take-on balances is demonstrated..</li> </ul>	<ul style="list-style-type: none"> <li>Identify the different sections under which the balances will be entered on the software program (general ledger, cash book, stock, customers and suppliers).</li> <li>Explain the concept of age analysis for customers and suppliers.</li> <li>Identify the different journals where balances would be entered and the settings of each journal.</li> <li>Record the different balances, print and update.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises or assignments from a trial balance through the whole process of take-on balances up to where the printouts can be assessed.</li> <li>Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>Short class test can be done to assess the understanding of students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.3 Record credit purchases and returns.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>Credit purchases and returns (allowances) are recorded.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the source documents used for purchases and returns (only credit transactions).</li> <li>Identify the journals or documents on the accounting software program for purchases and returns transactions.</li> <li>Create new suppliers on the accounting software program.</li> <li>Create new stock items on the accounting software program.</li> <li>Record the different transactions, print and update.</li> </ul> <p><i>Range: The credit purchases and returns transactions will include Value Added Tax (VAT), discount, terms and changes in the cost price</i></p>



<b>ASSESSMENT TASKS OR ACTIVITIES</b>
<ul style="list-style-type: none"> <li>• Practical exercises or assignments from documents through the whole process of purchases and returns up to where the printouts can be assessed.</li> <li>• Daily evaluation of practical exercises and individual remedial work before starting new topics is essential in order to develop each student in this field of study.</li> <li>• Short class test can be done to assess the understanding of students.</li> </ul>

<b>SUBJECT OUTCOME</b>	
<b>4.4 Record credit sales and returns.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>• Credit and cash sales and credit returns (allowances) are recorded.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the source documents used for sales and returns (only credit transactions).</li> <li>• Identify the journals or documents on the accounting software program for sales and returns transactions.</li> <li>• Create new customers on the accounting software program.</li> <li>• Record the different transactions, print and update.</li> </ul> <p><i>Range: The credit sales and returns transactions will include Value Added Tax (VAT), discount and terms.</i></p>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>• Practical exercises or assignments from documents through the whole process of sales and returns up to where the printouts can be assessed.</li> <li>• Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>• Short class test can be done to assess the understanding of students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.5 Record cash receipts and cash payments</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>• Cash receipts and cash payments are recorded.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify the source documents used for receipts and payments.</li> <li>• Identify the cash book on the accounting software program for receipt and payments transactions.</li> <li>• Create new ledger accounts on the accounting software program.</li> <li>• Record the different transactions, print and update.</li> </ul> <p><i>Range: The receipt and payment transactions will include Value Added Tax (VAT), discount, settlement of accounts where the amount received or paid should be calculated using terms, discount and returns.</i></p>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>• Practical exercises or assignments from documents through the whole process of cash book transactions up to where the printouts can be assessed.</li> <li>• Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>• Short class test can be done to assess the understanding of students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.6 Do the bank reconciliation.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The bank reconciliation is done.</li> </ul>	<ul style="list-style-type: none"> <li>Identify additional payments and receipts on the bank statement.</li> <li>Create new ledger accounts.</li> <li>Record the additional transactions in the cash book.</li> <li>Follow the reconciliation process on the accounting software program.</li> <li>Print the bank reconciliation statement.</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises or assignments from documents through the whole process of bank reconciliation up to where the printouts can be assessed.</li> <li>Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>Short class test can be done to assess the understanding of students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.7 Prepare the petty cash payments cash book.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>The petty cash payments cashbook is prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the source documents used for petty cash payments.</li> <li>Identify the cash book on the accounting software program for petty cash payment transactions.</li> <li>Create new general ledger accounts on the accounting software program.</li> <li>Record the different transactions, print and update.</li> </ul> <p><i>Range: The petty cash payment transactions will include Value Added Tax (VAT).</i></p>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises or assignments from documents through the whole process of petty cash payments up to where the printouts can be assessed.</li> <li>Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>Short class test can be done to assess the understanding of students.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.8 Demonstrate month end adjustments.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>Month end adjustments are demonstrated.</li> </ul>	<ul style="list-style-type: none"> <li>Identify the accounts to be adjusted at month end.</li> <li>Identify the journals on the accounting software program for month end adjustments.</li> <li>Record the different adjustments, print and update.</li> </ul> <p><i>Range: The month end adjustments will include depreciation, correction of errors, drawings of stock, bad debts and interest charged on customer accounts in arrears.</i></p>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>Practical exercises or assignments up to where the printouts can be assessed.</li> <li>Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>Short class test can be done to assess the understanding of students</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.9 Demonstrate printing.</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>• Printing is demonstrated.</li> </ul>	<ul style="list-style-type: none"> <li>• Do any required printing on the accounting software program. <i>Range: The printing can include general ledger accounts, customers, suppliers, tax reports and statements.</i></li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>• Practical exercises or assignments requiring specific printouts that can be assessed.</li> <li>• Daily evaluation of practical exercises and individual remedial work before starting a new topic is essential in order to develop each student in this field of study.</li> <li>• Short class test can be done to assess the understanding of students.</li> <li>• Topic test before students advance to the next topic.</li> </ul>	

<b>SUBJECT OUTCOME</b>	
<b>4.10. Explain Value Added Tax (VAT).</b>	
<b>ASSESSMENT STANDARD</b>	<b>LEARNING OUTCOME</b>
<ul style="list-style-type: none"> <li>• Value Added Tax (VAT) is explained.</li> </ul>	<ul style="list-style-type: none"> <li>• Explain the concept of VAT.</li> <li>• Explain the different types of VAT.</li> <li>• Explain basic legislation concerning VAT.</li> <li>• Complete the EMP201 VAT form for returning to South African Revenue Services (SARS).</li> </ul>
<b>ASSESSMENT TASKS OR ACTIVITIES</b>	
<ul style="list-style-type: none"> <li>• Group discussions (competitive fun) to assess knowledge of students.</li> <li>• Practical exercises or assignments from a printed tax report to complete the required tax form.</li> <li>• Short class test can be done to assess the understanding of students.</li> <li>• Topic test before students advance to the next topic.</li> </ul>	

#### 4 SPECIFICATIONS FOR EXTERNAL ASSESSMENT IN APPLIED ACCOUNTING - LEVEL 4

##### 4.1 Integrated Summative Assessment Task (ISAT)

A compulsory component of the external assessment ESASS is the **Integrated Summative Assessment Task (ISAT)**, which is a major assessment task that draws on the students' cumulative learning achieved throughout the full year. The task requires **integrated application of competence** and is executed and recorded in compliance with assessment conditions.

The students will have achieved the competencies through the year but the competencies will be assessed cumulatively in a single assessment /exam session at the end of the year.

The ISAT will be set by an externally appointed examiner and be conveyed to colleges within the first quarter of each year.

The integrated assessment approach allows for students to be assessed in more than one subject within the same ISAT.

##### 4.2 National examination

A national examination is conducted annually in October or November each year by means of a paper set externally and marked and moderated externally. The following distribution of cognitive application is suggested:

LEVEL 4	KNOWLEDGE AND COMPREHENSION	APPLICATION	ANALYSIS, SYNTHESIS AND EVALUATION
	40%	40%	20%