

Achievement indicator

Describe the nature purpose and functions of accounting

Accounting is the system or tool which businesses use to record, summarize, analyse, interpret and report business transactions to interested parties for useful decision making.

Accounting provides information on the following:

- I. Resources available to a firm.
- II. The means employed to finance those resources.
- III. The results achieved through their use.

Purpose/ Functions of Accounting:

1. Establishes accountability that is analyses how money was used in a financial year.
2. Communicates financial information to various users.
3. Helps in business decision making.
4. A control device for the management.
5. Helps interested parties to make useful decisions.
6. It is a business language.

Activity 1

1. Define the term accounting.
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2. Fill in the blanks

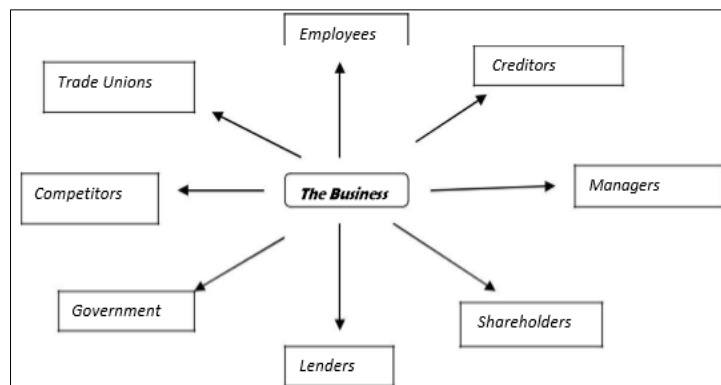
- a) Accounting helps in b..... decision making.
- b) Accounting helps c..... financial i..... to various users.

USER	REASON
1. Investors are people who contribute money to the business	Interested in the rate of return that the business will earn currently and in the future.
2. Creditors/Suppliers are people who supply goods to the business	Measure the credit worthiness of the business (the debt paying ability of the business).
3. Trade Unions are unions that represent the employees	Assess the job security and wage negotiations of the business for the employees.
4. Government is the main regulating	have various users such as:

authority of the nation	a. FRCA – to assess and collect tax. b. Labour Department – to assess number of workers employed. c. Fiji Commerce Commission – to know the pricing and trading activities of the enterprise.
5. Competitors are businesses that sell similar goods.	So that they can get a greater market share.
6. Customers are people who buy the goods from the shop	They want to see if the business will continue to provide/produce the goods and services they need/want

Activity 1

Use the table below to answer questions a-f



- Is the business providing a return on our investment? _____
- Has the business achieved the objectives that have been set? _____
- Can the business repay the loan on time? _____
- Can the business make payments on time as it falls due? _____
- Better wage negotiations and working conditions? _____
- Are the taxes paid on time _____

Achievement indicator

Define business ethics and address some accountability issues identified.

Business ethics

Business ethics are guidelines or regulations used in making sound business decisions.

Business ethics can be divided into:

1. Social ethics

Refer to those business behaviours or obligations that strengthen or develop stronger bonds between employer, employee, customers, communities, societies as a whole.

2. Economic ethics

Are those ethics that allows business to be honest, fair and “clean” in terms of trade to generate maximum income.

3. Financial ethics

Deals with accountability, transparency and true reporting of business information.

4. Religious ethics

Deals with people working together as a team for progress regardless of their religious background.

Accounting information must be prepared ethically so that transparency and honesty is maintained at all times.

Activity 1

1. Explain the term business ethics

2. Study the dialogue given below and answer part a,b,c

Manager: disclose little profit so that we have to give little pay rise Accountant: ??

- a. Do you support the suggestion? _____
b. Give a reason for your answer

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- c. Which business ethics is violated? _____

Achievement indicator

Identify and describe the different types of accounting concepts as used in the accounting system.

Accounting concepts are the concepts or guidelines that are used in preparing the financial reports.

Some of the accounting concepts include:

Concept	Definition
1. Monetary concept	This concept states that all business transactions must be recorded in money terms, that is, in dollars and cents.
2. Accounting equation concept	This concept states that all assets must equal to liabilities plus proprietorship.
3. Double entry concept	This concept states that for every debit entry, there must be a corresponding credit entry.
4. Separate entity concept	This concept states that the records of the business are kept separate from that of the owner.
5. Legal entity concept	This concept states that In the eyes of the law, the business is regarded as a separate entity from the person(s) owning the business.

Activity 1

1. Use the table given below to answer part a-e

Monetary concepts	Accounting Equation	Double entry concept
Separate entity concept		Legal entity concept.

- a. _____ concept states that the accounts of the owner is separate from that of the business
- b. _____ concept states that items should be expressed in dollars and cents as well.
- c. _____ concept states that for every debit entry, there must be a corresponding credit entry.

- d. _____ concept states that all assets must equal to liabilities and equity.
- e. _____ concept states that that in the eyes of the law, the business is regarded as a separate entity from the person(s) owning the business.

Achievement indicator

Identify the career opportunities for commerce and make informed decision based on the analysed information.

Commerce is a very broad field and it provides students with so many interesting job opportunities.

Career Opportunities in Commerce

Subject combinations

Accounting, Economics, English, mathematics and any of the following electives:

- A. Computer studies
- B. Geography
- C. History
- D. Agricultural science
- E. Office technology

Tertiary qualifications

- 1. Certificate
- 2. Diploma
- 3. Degree
- 4. Post graduate certificate/diploma
- 5. Masters
- 6. Doctorate

Tertiary institutions in Fiji

- I. The university of the South Pacific (USP)
- II. Fiji National University (FNU)
- III. University of Fiji (Uni Fiji)

Career/Jobs available for commerce students

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>
Degree/diploma/higher qualification	Diploma/certificate+ experience	Certificate/form 7+ experience
Bank officer	Town clerk	Clerical assistant
School teacher	Sales clerk	Book keeper
Auditor	Farm manager	Casher
Business/commercial lawyer	Law clerk	Receptionist
Chartered accountant	Insurance clerk	
Company secretary	Stock clerk	
Forensic accountant	Assistant accountant	
Investment advisor	Purchasing officer	

Administration officer	Real estate agent	
Lecturer		
Management consultant		
Environmental economist		
Agricultural economist		
Town/city planner		
Valuers		
Statistician		

Activity 1

List any 2 career opportunities available to you as a commerce student
