Bookkeeping & Accounting Essentials has been written to comply with FNS10 Financial Services Training Package and covers the following competencies:

**FNS40210 Certificate IV in Bookkeeping:**
- FNS40210A Develop and implement policies and procedures relevant to bookkeeping activities
- FNS40210B Establish and maintain a cash accounting system
- FNS40210C Establish and maintain an accrual accounting system
- FNS40210D Carry out business activity and instalment activity statement tasks
- FNS40210E Establish and maintain a payroll system

**FNS40610 Certificate IV in Accounting:**
- FNS40610A Process financial transactions and extract interim reports
- FNS40610B Administer subsidiary accounts and ledgers
- FNS40610C Carry out business activity and instalment activity statement tasks
- FNS40610D Establish and maintain a payroll system

**FNS30110 Certificate III in Accounts Administration:**
- FNS30110A Process financial transactions and extract interim reports
- FNS30110B Administer subsidiary accounts and ledgers
- FNS30110C Establish and maintain a payroll system
- BSBFAA005A Process payroll

Student's comprehension of critical theory is enhanced with over 140 activities and a corresponding Workbook.
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The roles and responsibilities of the accountant

An accountant’s role, in addition to being capable of performing the duties and responsibilities of a bookkeeper, is to oversee the work performed by the bookkeeper and to provide interested parties with analysis and interpretation of an organisation’s past and future financial performance. Accountants also provide specific reports as required by any of the interested parties.

The services provided by accountants include:

- business establishment services
- corporate reporting and compliance services
- audit services
- management accounting services
- financial management advisory services
- taxation advice and planning services
- insolvency and reconstruction services
- systems design services
- trust account and superannuation fund services.

To be able to perform these accounting services, accountants must be qualified, experienced and competent and be up-to-date with accounting issues and changes, taxation legislation and other legislative requirements associated with the financial services industry. Consequently, an accountant, in addition to the compliance issues facing bookkeepers, should keep abreast of the following:

- Australian and international accounting standards
- auditing standards
- taxation law
- superannuation legislation
- Corporations Act 2001
- Bankruptcy Act 1966

Given the complexities of the finance industry and the nature of specific legislation it is not unusual for accountants to offer services only in specific accounting areas.

Accountants usually hold a qualification in accounting and register with an organisation representing a particular qualification, such as the Institute of Public Accountants (IPA). Some accountants undertake additional studies that allow them to be registered as a certified practising accountant (CPA) or as a chartered accountant (CA) with the Institute of Chartered Accountants in Australia (ICAA).

In addition to being a member of an accounting organisation, accountants may, with the appropriate qualifications and practice, register with organisations identified with specific accounting services such as the Tax Agents Board as a tax agent or the Australian Securities and Investments Commission (ASIC) as a registered company auditor.

**ACTIVITY 1C**

- Find and examine four advertised accounting jobs, two from Australia, one from the United Kingdom and one from another country.
- List the role of each job and the task expectations.

**ACTIVITY 1D**

From your Internet searches in the previous activities make a list of the similarities and differences between the roles of an Australian accountant compared to an Australian bookkeeper.
The following sales invoices relate to the business of H. Ling, who retails and services computers. Debtors have been allocated the following customer codes:

<table>
<thead>
<tr>
<th>Debtor Name</th>
<th>Debtor No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Parks</td>
<td>D 100</td>
</tr>
<tr>
<td>K. James</td>
<td>D 200</td>
</tr>
</tbody>
</table>

**TAX INVOICE**

H. LING

ABN 12 555 888 999

SOLD TO: J. Parks a/c D100

DATE: 4 Jan

<table>
<thead>
<tr>
<th>Item</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer components</td>
<td>4 000.00</td>
</tr>
<tr>
<td>Services rendered</td>
<td>2 500.00</td>
</tr>
<tr>
<td>GST</td>
<td>650.00</td>
</tr>
<tr>
<td>Total Including GST</td>
<td>7 150.00</td>
</tr>
</tbody>
</table>

**TAX INVOICE**

H. LING

ABN 12 555 888 999

SOLD TO: K. James a/c D200

DATE: 5 Jan

<table>
<thead>
<tr>
<th>Item</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer components</td>
<td>7 500.00</td>
</tr>
<tr>
<td>Services rendered</td>
<td>500.00</td>
</tr>
<tr>
<td>GST</td>
<td>800.00</td>
</tr>
<tr>
<td>Total Including GST</td>
<td>8 800.00</td>
</tr>
</tbody>
</table>

These sales invoices would be recorded in the Sales and Services journal as shown below.

**Sales and Services Journal**

<table>
<thead>
<tr>
<th>Date</th>
<th>Debtor Name</th>
<th>Debtor No.</th>
<th>Inv. No.</th>
<th>Sales $</th>
<th>Services $</th>
<th>GST Collected $</th>
<th>Total Invoice $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>J. Parks</td>
<td>D 100</td>
<td>56</td>
<td>4 000</td>
<td>2 500</td>
<td>650</td>
<td>7 150</td>
</tr>
<tr>
<td></td>
<td>K. James</td>
<td>D 200</td>
<td>57</td>
<td>7 500</td>
<td>500</td>
<td>800</td>
<td>8 800</td>
</tr>
</tbody>
</table>

The totals of this journal indicate that debtors owe $15 950 as a result of being sold goods valued at $11 500, being provided with services totalling $3 000, and being charged $1 450 for GST on those goods and services.

The total values of the monetary columns of this journal would affect the accounts of H. Ling as follows.

<table>
<thead>
<tr>
<th>Assets</th>
<th>= Liabilities</th>
<th>+ Owner’s equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>$15 950</td>
<td>$1 450</td>
</tr>
<tr>
<td></td>
<td>= GST collected</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ Revenues</td>
<td>$11 500</td>
</tr>
<tr>
<td></td>
<td>Sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Services</td>
<td>$3 000</td>
</tr>
<tr>
<td></td>
<td>– Expenses</td>
<td></td>
</tr>
</tbody>
</table>
9.4 PROCESSING AND REPORTING A WEEKLY PAYROLL

The weekly processing of employees’ wages using manual, as opposed to electronic, methods requires a payroll register to be prepared. The information disclosed in the payroll register is then used in reports issued to employees, to update the accounting records and to complete statutory obligations.

The payroll register

A payroll register includes each employee and their entitlements and deductions. It also includes provision for totals to be calculated for each entitlement item and each item of deduction, as well as the net pay for each employee.

A completed payroll register showing the amounts that comprise the net pay for each employee and the totals for each entitlement and deduction is provided below.

Payroll Register for Week Ended 26th October

<table>
<thead>
<tr>
<th>Employee Name</th>
<th>Mandy Moore</th>
<th>Isaac Pain</th>
<th>Pat Head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entitlements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hourly rate of pay</td>
<td>$26.50</td>
<td>$18.65</td>
<td>$12.50</td>
</tr>
<tr>
<td>Leave loading</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical association</td>
<td>$24.60</td>
<td>$32.65</td>
<td>$15.50</td>
</tr>
<tr>
<td>Union</td>
<td>Nil</td>
<td>$8.50</td>
<td>$8.50</td>
</tr>
<tr>
<td>Superannuation</td>
<td>$28.90</td>
<td>$52.90</td>
<td>$12.80</td>
</tr>
<tr>
<td>Gross Pay</td>
<td>$1007.00</td>
<td>$904.53</td>
<td>$542.50</td>
</tr>
<tr>
<td>Deductions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>$205.00</td>
<td>$113.00</td>
<td>$252.00</td>
</tr>
<tr>
<td>Medical association</td>
<td>$24.60</td>
<td>$32.65</td>
<td>$15.50</td>
</tr>
<tr>
<td>Union</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$17.00</td>
</tr>
<tr>
<td>Superannuation</td>
<td>$28.90</td>
<td>$52.90</td>
<td>$94.60</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>$258.50</td>
<td>$207.05</td>
<td>$288.80</td>
</tr>
<tr>
<td>Net Pay</td>
<td>$748.50</td>
<td>$697.48</td>
<td>$253.70</td>
</tr>
</tbody>
</table>

Note: Employees work 7.6 hours each day for 5 days. Hours worked in excess are paid at time-and-a-half.