Minimise Study Time
Maximise Scores

VCE Exam Advice – Unit 3 & 4 Accounting

The examination will consist of a series of short answer and extended response questions. These may include a variety of item types, including scenarios, questions with multiple parts, short answer questions and extended response questions. The exam will be marked out of 100 and as each question is worth different marks, students should allocate their time on the basis of roughly one minute per mark. This will leave you sufficient time for a final check of your exam paper.

The exam format allows students to choose which question they start with first – students do not need to do the questions in order. Commence with a topic with which you are most comfortable and confident.

Avoid spending too much time on difficult questions at the expense of 'easy' questions as this may not pay off in terms of marks gained versus marks lost.

Think of studying and revising for the exam like learning to drive a car – you develop your skills by practising in a variety of driving conditions. This will ensure that you are well prepared for any contingencies that might arise on the road. Similarly, to avoid being surprised in an Accounting exam, you need to practise a wide variety of accounting questions. Your conceptual understanding is being tested, not your ability to recall rote responses to text book questions.

Preparation for the exam should involve the completion of trial/practice examinations. Past exams from VCAA are helpful but should not be relied upon as the Accounting course was new last year and some questions on past examinations are no longer relevant to the course. I would get your teacher to approve suitable questions or modify questions from exams for the period 2012 to 2018.

N.B. Also since the modification of the study design in response to Covid19 many budgeting questions will no longer be relevant. Students are not expected to prepare Budgeted Reports in the revised Study Design. However you can be asked theory questions regarding the analysis of budgeted reports and variance reports.

Advice for completing exams as practice for the 'real' exam is as follows:

1. It is essential that you practise the sample VCAA exam and the 2019 VCAA exam. Providers such as NEAP, CPAP, PES, Insight, A+ and CSE publish trial exams at a cost. Schools usually purchase one or two of these exams. VCTA also publish a trial exam each year. This is free to schools that are members of this association – check with your teacher. Complete several of these exams under time constraints and ideally get them assessed. **Check to ensure that these exams have been prepared with adherence to the modified study design for 2020.**

When completing trial or practice exams the 'Top 6' tips for completing them are:

1. Complete them under examination conditions. Resist the temptation to look at your notes or check the solutions.

2. Don't 'take 5 minutes' to check your text messages or Facebook. Don't get up and get a drink or a snack. Let your parents know you are doing a trial examination so they don't interrupt you.

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3. Ask your teacher to correct them for you – feedback is important.

4. You should be aiming to complete a minimum of 10 practice examinations before the actual examination.

5. Develop a timetable for yourself for completion of these practice examinations.

6. Where possible, complete these exams at the same time of day as the actual VCAA exam so that you get conditioned to this scenario.

So to Recap:

Recommended Examination Papers:

- VCAA 2012 to 2018 November exams & assessor reports – VCAA website. These exams should be carefully checked by you and your teacher to ensure relevance to the **modified** study design. Also many of the answer books will not be suitable as they involve the completion of special journals which are no longer part of the Unit 3 & 4 course.

- NEAP 2012 – 2018 trial exams
- CPAP 2012 -2018 trial exams
- VCTA (Compak) 2012 – 2018 trial exams
- PES 2012 – 2018 trial exams
- CSE 2012 – 2018 trial exams

- All 2019 & 2020 exams produced by these organisations will not require any alterations (**except** for budget report preparation questions) and the VCAA sample exam should also be attempted.

NB: the advice above for the VCAA exams equally applies to all other exams for the period 2012 to 2018.

Additional Hints

- Revise your notes. It is difficult to study your class notes. It is much easier to condense these notes into a shorter, more compact series of summary sheets. The task is to reduce your notes into one A4 sheet for each topic within the course. TSFX lectures will provide comprehensive notes on all topics.

- Know your templates. Journals, ledgers and reports all make use of templates. It is important that students know these templates. It is often worthwhile to draw these templates on A4 sheets and stick them on the wall where you study. They can act as visual stimulants to assist your learning.

- Revise your SACs. SAC tasks are like mini-exams. Ask your teacher for copies of the SAC questions and practice completing them – under test conditions.

- Answer Booklet: The examination Answer Booklet is set out in a way that is reasonably predictable. Read the Answer Book with the Question Book during reading time – this will help ensure you know exactly what is required for each question.

- Always refer back to your previous answers in the answer booklet rather than use the question booklet for your figures. You may have changed a number of figures by completing various journal entries.

- Always alter the Trial Balance on your question sheet after EVERY general journal adjustment. This will avoid omitting items or using the wrong figure in your closing entries and accounting reports.

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- Determine the number of months where the economic benefit of prepaid expenses/revenues has NOT been used up/earned. This will enable the easier identification of the expense/revenue (subtract from total payments/receipts) and the current asset/current liability to be reported in the Balance Sheet.

- Abbreviations: In all ledgers and journals and reports students are expected to use correct titles at all times. It is recognised that in some cases space is tight, however you are expected to fit in full titles. Don't 'tempt fate' by abbreviating – either write smaller or use a second line. P & L Summary and Depn and Acc. Depn are acceptable abbreviations.

- Narrations in General Journal Entries: Narrations **MUST** include the document number relating to the transaction. Again, if you review past examinations you will find that a document number is always provided in these types of questions. There are also some 'rules' for certain narrations:

  If the entry involves inventory – identify the quantity of inventory and the line of inventory.
  If the entry is for depreciation – identify the rate of depreciation charged and the method used.
  It involves prepaid or accrued items – identify the length of time involved, such as 3 months Interest revenue earned.

- Dates are always an area that impact on your ability to determine the correct values to record and report. During reading time identify the length of the reporting period and the number of months that new non-current assets have been used by the business.

- Practise identifying the advantages and disadvantages of various accounting issues in preparation for **DISCUSS** questions on the exam. **For example:** Original Cost v Fair Value; Reducing Balance v Straight Line Depreciation; Product Costs v Period Costs; Verifiability v Faithful Representation; higher or lower Debt Ratios.

- The allocation of marks is also a very good guide for your responses. **For example:** 4 marks for a ledger account will usually mean four entries need to be completed. 2 marks for a theory response will require two distinct points.

- **Be careful with constraints in questions:**

  The examination may put constraints in questions, such as:

  2010 Exam – 1.3.3

  State two benchmarks, *other than trend analysis*, that could be used when evaluating whether this return is satisfactory or not.

  2010 Exam – 2.2.3

  State two strategies, *excluding additional advertising*, Petra could implement to improve the Inventory Turnover (that is, reduce Inventory Turnover days) *without affecting the Gross Profit Margin.*

Areas of Concern from Past Exams

- Timing – students running out of time due to writing too much in a theory response. Use the spaces provided and the mark allocation to guide the depth and detail of your response.

- Not knowing the difference between accounting assumptions and qualitative characteristics.

- Using the wrong ledger account names. Only use ledger names that would appear in your Trial Balance.

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- A lack of detail in discuss and evaluate questions. You need to explore all aspects of the issue and examine points for and against.

Final Suggestions

- Only use pencil. No white out.
- Show all workings when reconstructing ledger accounts, calculating depreciation or accrued revenue.
- Do not restate the question in your answer. Use lead ins.
- If a question seems too difficult do not panic! Move on to an easier question.
- Be early to exam but don't sit with others discussing the potential questions. It may cause you to panic.
- Drink plenty of water but stop about 30 minutes before the exam, go to the bathroom before you go into the exam room so you don't need to go during the exam.
- Avoid studying on the day of the exam.
- Check calculator (scientific). Spare batteries.
- Check pencils/erasers/sharpeners.
- Enjoy the experience!

More subject specific advice will be issued to students at our "VCE Exam Revision Lectures".

Good luck with your exam preparations!
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VCE Exam Revision Lectures

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Dates: Saturday 18 September – Sunday 3 October 2021 **Venue:** Fully interactive, Live-Streamed Online Lectures