IAB Level 1 Award in Computerised Accounting for Business (RQF) 603/2736/4

Qualification Specification

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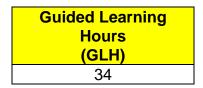
1   Introduction to the qualification

The Level 1 Award in Computerised Accounting for Business (RQF) qualification is an accredited qualification within the Regulated Qualification Framework (RQF).

On registration with the IAB and the payment of their course fees, learners are given access to a version of Sage 50 Accounts Professional, which is time limited for them to use during their course of study. Supplementary study materials are also provided.

NB – Students can register for this qualification without requesting the Sage disc/ download and supplementary support materials.

Learners studying without being attached to an IAB accredited training centre should contact the IAB for further information.

The total Guided Learning Hours for this qualification are as follows:

Guided Learning Hours (GLH)
34

2   Statement of level

This is an entry Level 1 qualification as defined within the regulations of the RQF.

3   Aims

The units which comprise the Level 1 Award in Computerised Accounting for Business (RQF) qualification are designed to give learners the basic knowledge, understanding and skills that will:

1   Introduce them to financial record keeping using a commercial Sage computerised accounting package.

2   Give them the necessary skills to carry out a range of basic day-to-day computerised accounting routines and activities using Sage software, including the setting up of the system, the entry of business transactions, and other routine basic bookkeeping tasks.

3   Provide an understanding of the importance of maintaining accuracy, security and data integrity in performing bookkeeping tasks using accounting software.

4   Give them an understanding of the capabilities of the software and how it can enable better financial management and control of a business

5   Enable them to progress in their learning, by further developing their knowledge, understanding and skills of dealing with financial transactions by:
- Gaining a Sage competence certificate at this level
- Completing the additional units necessary to be awarded the qualification relevant to manual bookkeeping i.e. the IAB Level 1 Award in Bookkeeping (RQF)

- Undertaking further studies of bookkeeping and accounting routines, both manually and using Sage software at Level 2.

6   Provide opportunities for learners to study further units at Level 2.

7   Enable learners to progress into self-employment or employment by preparing them for various job roles which may include, but not limited to, junior bookkeeper, accounts clerk, finance assistant, data entry clerk, invoicing clerk, sales ledger clerk, accounts trainee.

4 Target groups

The Level 1 Award in Computerised Accounting for Business (RQF) qualification has been designed to appeal to individuals within the following groups:

- Learners starting their studies in the subject of computerised accounting from a point of no previous knowledge or experience.

- Learners in employment and with some limited basic accounting knowledge and skills who want to formalise their competence by gaining a recognised accredited qualification in computerised accounting.

- Learners returning to study and/or work after a study or career break.

- Learners considering a change in career.

- Learners considering a career as a self-employed practitioner.

- Owners of small businesses wanting an introduction to bookkeeping and accounting so that they can personally keep computerised records for their business and make full use of the functions that a computerised accounting package offers.

5 Entry requirements

There are no formal entry requirements to the Level 1 Computerised Accounting for Business (RQF) qualification. However, it is recommended that prospective entrants have basic skills in numeracy and literacy.

6 Progression

Holders of the Level 1 Award in Computerised Accounting for Business (RQF) qualification can continue with their studies by:

- Studying other associated units at the same level, for example payroll or manual bookkeeping.

- Progressing to the Level 2 Certificate in Computerised Accounting for Business (RQF) qualification.

- Progressing to the Level 2 Certificate in Computerised Accounting (RQF) qualification.

7 Level 1 Award in Computerised Accounting for Business (RQF) – Units and Learning Outcomes

The qualification comprises three mandatory units. The unit titles and learning outcomes are as follows:

Unit Title – Introduction to computerised accounting	Knowledge
Learning outcomes	
1 Understand the basics of computerised accounting	
2 Understand accounting terms	
3 Recognise source documents	
4 Understand the basics of the VAT system	

Unit Title – Financial services and payment methods	Knowledge
Learning outcomes	
1 Understand the role of banks and building societies	
2 Understand how businesses use financial services	
3 Identify appropriate methods of payment and understand their features	
4 Understand the need for security measures and procedures for the safe-keeping of cash	

Unit Title – Set up a computerised accounting system and process data	Skills
Learning outcomes	
1 Set up a computerised accounting system	
2 Process credit based transactions	
3 Process cash sales and sundry income	
4 Process receipts from credit customers	
5 Process payments to credit suppliers	
6 Process payments through the bank current account	
7 Process petty cash transactions	
8 Reconcile the balance on the bank current account	
9 Generate reports	

8 Level 1 Award in Computerised Accounting for Business (RQF) – Assessment, Achievement and Grading

8.1 Methods of assessment

The methods used by the IAB for assessing learner competence in the IAB Level 1 Award in Computerised Accounting for Business (RQF) qualification are shown in the table below. All assessments are completed online using the IABOnline testing platform. Assessments completed online by learners are subject to a time constraint.

The IAB provides specimen pilot assessments on its testing platform for use by learners as practice and revision.

Assessment Title	Method of Assessment
Introduction to computerised accounting	Knowledge Test
Financial services and payment methods	Knowledge Test
Set up a computerised accounting system and process data	Assignment

8.2 Achievement and grading

To successfully achieve the qualification learners must demonstrate competence in the learning outcomes and assessment criteria in each of the three mandatory units of which the qualification is comprised. Learners are assessed as Pass or Fail. Minimum levels of achievement are set as follows:

Knowledge Test – Introduction to computerised accounting 70%

Knowledge Test – Financial services and payment methods 70%

Assignment – Set up a computerised accounting system and process data 70%

The qualification is not graded. On successful completion of each of the units the learner will be awarded a Pass in the unit completed.

Learners studying without being attached to an IAB accredited training centre may need to contact the IAB directly for further information on assessment, achievement and grading.

9 Certification

On successful completion of the mandatory units the learner will receive the Level 1 Award in Computerised Accounting for Business (RQF). They will be issued with a certificate confirming that they have demonstrated competence in the learning outcomes and assessment criteria in each of the units making-up the qualification. The certificate will identify the learner by name and will include the full title and accreditation number of the qualification.

10 Reasonable Adjustments and Special Considerations Policy and Procedure

Please refer to the IAB website www.iab.org.uk for a copy of this policy and procedure or contact the Education Department of the IAB.

11   Enquiries and Appeals Procedure

Please refer to the IAB website www.iab.org.uk for a copy of this procedure or contact the Education Department of the IAB.

12   Level 1 Award in Computerised Accounting for Business (RQF) – Unit Specifications

The unit specifications indicate the content, in terms of learning outcomes and assessment criteria, for each of the three mandatory units within the Level 1 Award in Computerised Accounting for Business (RQF) qualification.

All the learning outcomes and assessment criteria must be covered by providers when delivering the qualification. However, all learning outcomes and assessment criteria may not be fully covered by the assessments on which the assessment of competence is based.

The content of the assignment used by the IAB to assess competence in this qualification is subject to ongoing review and may change periodically.

Each of the unit specifications is provided below:

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Unit title	Introduction to computerised accounting – D/508/5836
Level	1
GLH	5

Learning Outcomes	Assessment Criteria

1 Understand the basics of computerised accounting	**Learners are required to demonstrate they can:**
	1.1 Understand the system of recording business transactions known as 'double entry' and recognise the dual aspect concept as being the concept on which double entry is based
	
	1.2 Recognise the elements within the accounting equation and understand the terms assets, capital and liabilities
	
	1.3 Recognise the term 'sole trader' and understand the characteristics of a sole trader type entity in terms of ownership, control and owner's personal financial liability
	
	1.4 Understand the purpose of the following within a computerised accounting system:
	
	    • the nominal ledger
	    • ledger accounts
	    • debtor and creditor control accounts
	    • supplier and customer files
	
	1.5 Understand the use of account codes and the purpose of the chart of accounts
	
	1.6 Understand the purpose of the trial balance
	
	1.7 Understand the purpose of the bank reconciliation statement
	
	1.8 Understand the purpose of the summary audit trail
	
	1.9 Understand the link between the processing system and the financial statements (profit and loss account and balance sheet)
	
	1.10 Recognise the following security measures designed to protect computer hardware, software and restrict access to the computerised accounting system:
	    • measures to restrict unauthorised access to premises and offices where computer and confidential information is kept
	    • measures to protect the computer system and software from corruption viruses, hackers and predators
	    • the use of passwords to restrict access to computer systems

2 Understand accounting terms	**Learners are required to demonstrate they can:** 2.1 Understand the following accounting terms: • income (capital and revenue) • expenditure (capital and revenue) • drawings • cash purchases and sales • credit purchases, sales and returns • cash (notes and coins), cheque, automated payment (BACS, plastic card (debit and credit card), standing order and direct debit • discounts (trade and prompt payment) • wages and salaries (gross pay, deductions from pay, and net pay) • petty cash • imprest system (petty cash)	
3 Recognise source documents	**Learners are required to demonstrate they can:** 3.1 Recognise the following source documents and understand their purpose: invoice credit note customer/supplier statement of account remittance advice receipt (to support a payment made in cash, by cheque or plastic card) summaries of takings (to support cash sales) cheque book counterfoil paying in slip bank statement petty cash voucher 3.2 Understand the HMRC rules relating to the retention of source documents	
4 Understand the basics of the VAT system	**Learners are required to demonstrate they can:** 4.1 Recognise the government agency responsible for administration of the VAT system 4.2 Understand the terms 'input tax/purchase tax' and 'output tax/sales tax' 4.3 Recognise rates of VAT 4.4 Understand the VAT terms 'exempt' and 'outside the scope' 4.5 Recognise VAT Tax codes 4.6 Understand the requirements of HMRC VAT legislation relating to the calculation of VAT where prompt payment discounts are offered 4.7 Understand the use of VAT sales tax and purchase tax accounts	

Unit title	Financial services and payment methods - A/508/5861
Level	2
GLH	4

Learning Outcomes	Assessment Criteria
1 Understand the role of banks and building societies	**Learners are required to demonstrate they can:** 1.1 Understand the role of banks and building societies as financial Intermediaries 1.2 Understand the relationship between banks, building societies and their customers
2 Understand how businesses use financial services	**Learners are required to demonstrate they can:** 2.1 Understand how the following financial services are used by businesses and recognise the features of each of the services: • deposit and current accounts • loans, mortgages and overdrafts • telephone and internet banking
3 Recognise appropriate methods of payment and understand their features	**Learners are required to demonstrate they can:** 3.1 Recognise the features and use of cash (notes and coins) as a payment method and identify circumstances when payment in cash is appropriate 3.2 Recognise the use of a cheque as a method of payment and identify circumstances in which a cheque is an appropriate method of payment 3.3 Recognise the following features of payment by cheque: • the requirement that a cheque be signed by a designated signatory • the parties to a cheque – drawer, drawee and payee • the use of an 'account payee' crossing on a cheque • the central clearing system and the 2-4-6 rules • the life of a cheque, post-dated cheques, dishonoured cheques and stopping a cheque 3.4 Recognise the features of debit cards, credit cards and prepayment cards and identify circumstances in which each of these payment methods would be appropriate 3.5 Understand the following systems for processing plastic card payments: • face-to-face customer present transactions, • EFTPOS and chip-and pin • customer not present transactions 3.6 Understand the features of the following payment systems - BACS direct credit, direct debit, standing order, faster payments, CHAPS and PayPal and identify circumstances when these would be appropriate as a method of payment
4 Understand the need for security measures and procedures for the safe-keeping of cash	**Learners are required to demonstrate they can:** 4.1 Understand the need for appropriate security systems and procedures for the purpose of keeping monies safe and secure whilst on business premises or in transit 4.2 Recognise the need for suitable security precautions to be in place for the purpose of taking monies to the bank

Unit title	Set up a computerised accounting system and process data – Y/508/5849
Level	1
GLH	25
Learning Outcomes	Assessment Criteria

Learning Outcomes	Assessment Criteria
1 Set up a computerised accounting system	**Learners are required to demonstrate they can:** 1.1 Use the set up function and enter details to set up a computerised accounting system for a business by completing appropriate fields within the set up procedure 1.2 Use the opening balance function and input opening account balances on a computerised accounting system 1.3 Use the new supplier function to create supplier accounts by completing appropriate fields within the function 1.4 Use the new customer function to create customer accounts by completing appropriate fields within the function 1.5 Use a back-up function and back up data at regular intervals
2 Process credit based transactions	**Learners are required to demonstrate they can:** 2.1 Process transactions from invoices and credit notes issued and received using appropriate transaction references : • input details from an invoice received from a supplier to account for goods or services bought on credit • input details from a credit note received from a credit supplier • input details from an invoice issued to a customer to account for goods or services sold on credit • Input details from a credit note issued to a credit customer 2.2 Process the VAT element of a transaction using appropriate tax codes
3 Process cash sales and sundry income	**Learners are required to demonstrate they can:** 3.1 Record income from the sale of goods/services, or from a non-trading activity (rent received only), where payment is received in cash (notes and coins), by cheque, plastic card or other automated payment method, using appropriate transaction references 3.2 Process the VAT element of income from cash sales using appropriate tax codes
4 Process receipts from credit customers	**Learners are required to demonstrate they can:** 4.1 Use the customer receipts function on the bank record to account for amounts received from credit customers by cheque, BACS, plastic card or other automated payment method, using appropriate transaction references Notes: • Learners are not required to account for a receipt in part-payment of an invoice or an amount received as a payment on account • Learners are not required to account for prompt payment discounts, or the VAT adjustment resulting from the customer having taken-up the offer of a prompt payment discount

		Learners are required to demonstrate they can:
5	Process payments to credit suppliers	5.1 Use the supplier payments function on the bank record to account for amounts paid to credit suppliers by cheque, BACS, plastic card or other automated payment method, using appropriate transaction references **Notes:** • Learners are not required to account for a payment made in part-payment of an invoice, or an amount paid as a payment on account • Learners are not required to account for prompt payment discounts, or the VAT adjustment resulting from the taking-up of the offer of a prompt payment discount
6	Process payments through the bank current account	**Learners are required to demonstrate they can:** 6.1 Use the bank payments function on the bank record to process the following payments made from the bank current account by cheque, plastic card, or other automated payment method, using appropriate transaction references: • a payment made to acquire a fixed asset • the payment of business expenses • the taking of drawings by the proprietor • a payment made to restore the petty cash float 6.2 Process the VAT element of payments from the bank current account using appropriate tax codes
7	Process petty cash transactions	**Learners are required to demonstrate they can:** 7.1 Use the payments function to record petty cash payments using appropriate transaction references 7.2 Record the receipt of monies to restore the petty cash imprest balance 7.3 Process the VAT element of petty cash payments using appropriate tax codes
8	Reconcile the balance on the bank current account	**Learners are required to demonstrate they can:** 8.1 At a given date use the reconcile function on the bank account to match entries on the bank current account, using an appropriate reference, with those appearing on the statement of account received from the bank, identify unreconciled items and reconcile the balance
9	Generate reports	**Learners are required to demonstrate they can:** 9.1 Use a computerised accounting system to generate the following reports: • supplier names and addresses • customer names and addresses • trial balance • bank statement reconciled and unreconciled transactions

13   Links to National Occupational Standards (NOS)

The mandatory units within the Level 1 Award in Computerised Accounting for Business qualification link with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-1 Process Income
- FA-2 Process Expenditure
- FA-3 Account for Income and Expenditure