



International  
association of  
bookkeepers

**IAB Level 3 Certificate in Computerised Accounting for Business (RQF) 603/2737/6**

**Qualification Specification**

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## 1 Introduction to the qualification

The IAB Level 3 Certificate 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 – Learners can register for this qualification without requesting the Sage disc and supplementary study 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:

<b>Guided Learning Hours (GLH)</b>
130

## 2 Statement of level

This is a Level 3 qualification as defined within the regulations of the RQF.

## 3 Aims

The IAB Level 3 Certificate in Computerised Accounting for Business (QCF) qualification aims to:

- 1 Enhance the learners understanding of financial record keeping and accounting using Sage accounting software.
- 2 Give learners the necessary skills to carry out a range of day-to-day computerised accounting routines and activities using Sage accounting software. The activities will include entry of complex business transactions, and routine bookkeeping tasks including the posting of transactions to ledger accounts, the preparation and use of journal entries, calculating and applying period end adjustments, the preparation of period end financial statements, and amendments to a chart of accounts.
- 3 Provide learners with an understanding of the importance of maintaining accuracy, security and data integrity in performing any bookkeeping and accounting tasks using Sage accounting software
- 4 Give learners a greater understanding of the capabilities of Sage accounting software and how it can enable better financial management and control of a business.
- 5 Give learners an understanding of the basics of cash management.

## 4 Target groups

The IAB Level 3 Certificate in Computerised Accounting for Business (RQF) qualification is specifically targeted at learners who want to prepare final accounts for a small or medium size business, and use financial information to plan and control a business. Such learners are likely to fall within the following groups:

- Learners already in employment with a sound knowledge of double entry bookkeeping and a working knowledge of the use of computerised accounting systems who want to formalise their knowledge and skills by gaining a recognised accredited computerised accounting qualification.
- Self-employed practitioners with a sound knowledge of double entry bookkeeping and a working knowledge of the use of computerised accounting systems who wish to formalise their knowledge and skills by gaining a recognised accredited computerised accounting qualification.
- Owners of small businesses with a sound knowledge of double entry bookkeeping and a working knowledge of the use of computerised accounting systems who wish to formalise their knowledge and skills by gaining a recognised accredited computerised accounting qualification.

## 5 Entry requirements

It is recommended that learners enrolling for the IAB Level 3 Certificate in Computerised Accounting for Business (RQF) qualification should already have good numeracy, literacy and information technology skills. They should also have experience of using an accounting software package up to Trial Balance stage. Successful completion of the IAB Level 2 Certificate in Computerised Bookkeeping qualification, the IAB Level 2 Certificate in Accounting for Business qualification, or an equivalent qualification from another awarding body will allow natural progression to this Level 3 qualification.

## 6 Progression

Successful completion of the qualification will enable learners to progress in their learning to further develop their knowledge, understanding and skills of dealing with financial transactions and preparation of period end financial statements by:

- Gaining a Level 3 Sage competence certificate.
- Completing the additional units necessary to be awarded the IAB equivalent manual bookkeeping qualification i.e. Level 3 Certificate in Bookkeeping and Accounting (RQF).
- Undertaking further studies of accounting at Level 4.

## 7 Qualification structure

The Level 3 IAB Computerised Accounting for Business (RQF) qualification comprises the following four mandatory units:

<b>Unit Title – Principles of advanced computerised accounting</b>	<b>Knowledge</b>
<b>Learning outcomes</b>	
1 Understand the purpose of accounting concepts and standards, and recognise the qualitative characteristics of financial information	
2 Understand the basics of computerised accounting	
3 Understand terms used in accounting	
4 Understand the purpose of VAT accounts and the VAT return	
5 Understand the process of accounting for a stock valuation	
6 Understand the process of accounting for the fixed assets	
7 Understand the process of accounting for prepayments and accruals	
8 Understand the process of accounting for bad and doubtful debts	
9 Understand the purpose of a trial balance and a suspense account	
10 Understand the purpose of financial statements	
11 Understand the principles of accounting for partnerships	
12 Understand the purpose of budgeting	
<b>Unit Title – Principles of cash management</b>	<b>Knowledge</b>
<b>Learning outcomes</b>	
1. Understand how the external environment impacts on how a business manages its cash assets	
2. Be able to make informed decisions regarding the management of the cash balances of a business	
3. Understand the range of accounting and other business techniques used to improve the efficiency of cash management within a business	
<b>Unit Title – Manage cash effectively</b>	<b>Skills</b>
<b>Learning outcomes</b>	
1. Prepare forecasts of income and expenditure for a business for a given period of time	
2. Use forecasts to monitor a business's cash flow	
3. Use a business's cash balances effectively	
<b>Unit Title – Use a computerised accounting package</b>	<b>Skills</b>
<b>Learning outcomes</b>	
1 Set up a computerised accounting system	
2 Enter business transactions	
3 Prepare and post journal entries	
4 Account for a stock valuation	
5 Account for fixed assets	
6 Account for prepayments and accruals	
7 Account for bad and doubtful debts	
8 Make end of period adjustments	
9 Amend the chart of accounts and generate reports	

## 8.1 Methods of assessment

The methods used by the IAB for assessing learner competence in the IAB Level 3 Certificate in Computerised Accounting for Business (RQF) qualification are shown in the table below.

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

<b>Assessment Title</b>	<b>Method of Assessment</b>
Principles of advanced computerised accounting	Knowledge Test
Principles of cash management	Knowledge Test
Manage cash effectively	Assignment
Use a computerised accounting package	Assignment

The three units - Principles of advanced accounting, Principles of cash management and Managing cash, are completed online using the IABOnline testing platform.

To complete the unit - Use a computerised accounting package, learners are required to download data from the IABOnline platform. They are then required to complete a range of tasks using a Sage accounting package.

All assessments completed at Level 3 are subject to a time constraint. IAB provides assessment pilot papers for the purpose of practice and revision.

## 8.2 Achievement and grading

To successfully achieve the qualification learners must demonstrate competence in the learning outcomes and assessment in each of the four 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 – Principles of advanced computerised accounting 70%

Knowledge Test – Principles of cash management 70%

Assignment – Manage cash 70%

Assignment – Use a computerised accounting package 60%

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 3 Certificate 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](http://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](http://www.iab.org.uk) for a copy of this procedure or contact the Education Department of the IAB.

## **12 Level 3 Certificate 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 four mandatory units within the Level 3 Certificate 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:

# Level 3 Certificate in Computerised Accounting for Business

<b>Unit title</b>	Principles of advanced computerised accounting – J/508/5846
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<b>Level</b>	3
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<b>GLH</b>	10
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Learning Outcomes	Assessment Criteria
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<p>1 Understand the purpose of accounting concepts and standards, and recognise the qualitative characteristics of financial information</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>1.1 Understand the accounting terms 'true and fair'</p> <p>1.2 Understand how the following accounting concepts are used in computerised accounting:</p> <ul style="list-style-type: none"> <li>• going concern</li> <li>• accruals</li> <li>• prudence</li> <li>• consistency</li> <li>• dual aspect</li> <li>• materiality</li> <li>• objectivity</li> <li>• realisation</li> </ul> <p>1.3 Understand the purpose of domestic and international accounting standards and how these are reflected in reports generated by computerised accounting systems</p> <p>1.4 Understand how the following qualitative characteristics make financial information more useful:</p> <ul style="list-style-type: none"> <li>• relevance</li> <li>• reliability (faithful representation)</li> <li>• understandability (ease of understanding)</li> <li>• comparability</li> </ul>
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<p>2 Understand the basics of computerised accounting</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>2.1 Understand the characteristics of sole trader, partnership, and limited company entities in terms of ownership, control and owner's personal financial liability and how these are created in a computerised accounting system</p> <p>2.2 Recognise the advantages of using a computerised accounting system</p> <p>2.3 Understand the use of account codes and the purpose of the chart of accounts</p> <p>2.4 Understand the purpose of the following within a computerised accounting system:</p> <ul style="list-style-type: none"> <li>• Ledger accounts</li> <li>• The nominal ledger</li> <li>• Debtor, creditor and VAT control accounts</li> <li>• Supplier and customer files</li> <li>• Customer and supplier activity/history reports</li> <li>• Aged debtor and creditor reports</li> <li>• Trial balance</li> <li>• Summary audit trail</li> <li>• Bank reconciliation</li> <li>• Bank statement reconciled and unreconciled transactions</li> <li>• VAT return</li> <li>• Budget reports</li> <li>• Profit and Loss Account and Balance Sheet</li> </ul>
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<p>3 Understand terms used in accounting</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>3.1 Have a knowledge and understanding of the following terms:</p> <ul style="list-style-type: none"> <li>• business transaction</li> <li>• income (capital and revenue)</li> <li>• expenditure (capital and revenue)</li> <li>• cash purchases and sales</li> <li>• credit purchases and sales, and purchases and sales returns</li> <li>• profit and loss</li> <li>• balance sheet</li> <li>• drawings</li> <li>• stock</li> <li>• trade debtors and creditors</li> <li>• bad debt</li> <li>• provision for doubtful debts</li> <li>• discounts (trade, bulk and prompt payment discounts)</li> <li>• wages, salaries, gross pay, net pay and statutory and voluntary deductions</li> <li>• depreciation</li> <li>• accruals and prepayments</li> <li>• VAT</li> </ul>
<p>4 Understand the purpose of VAT Accounts and the VAT return</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>4.1 Understand the purpose of the VAT purchase tax and sales tax accounts</p> <p>4.2 Understand the purpose of the VAT control account</p> <p>4.3 Understand the function of the VAT return</p>
<p>5 Understand the process of accounting for a stock valuation</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>5.1 Understand what is meant by the accounting term 'stock'</p> <p>5.2 Recognise the accounting concepts applied when:</p> <ul style="list-style-type: none"> <li>• using opening and closing stock valuations</li> <li>• valuing stock</li> </ul> <p>5.3 Understand how opening and closing stock valuations are entered in a computerised accounting system</p> <p>5.4 Understand where opening and closing stock valuations are used when generating reports for financial statements</p> <p>5.5 Recognise the terms 'mark up' and 'margin' and know how to adjust selling price to cost price given mark up or margin and selling price</p> <p>5.6 Recognise the term 'net realisable value' and know how to calculate net realisable value</p> <p>5.7 Understand the rule on which cost and net realisable value are applied and identify the accounting concept on which the rule is based</p>



<p>6 Understand the process of accounting for fixed assets</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>6.1 Understand the terms 'capital' and 'revenue' expenditure and recognise the consequences of incorrectly classifying expenditure</p> <p>6.2 Understand how the concept of materiality is applied when classifying expenditure as capital or revenue</p> <p>6.3 Recognise costs that are generally capitalised when calculating the cost of a fixed asset</p> <p>6.4 Understand what is meant by the accounting term 'depreciation' and know why fixed assets depreciate</p> <p>6.5 Recognise the accounting concepts applied when providing for depreciation</p> <p>6.6 Understand the following terms – 'capitalised cost', 'depreciable amount', 'useful life', 'residual value' and 'net book value'</p> <p>6.7 Understand the use of the straight line and diminishing balance methods of depreciation and the bases on which depreciation is calculated (full year and month-for-month)</p> <p>6.8 Understand the purpose of the fixed asset register</p> <p>6.9 Understand the process for accounting for the disposal of a fixed asset</p> <p>6.10 Know how the following information is used when generating reports for financial statements:</p> <ul style="list-style-type: none"> <li>• fixed asset costs</li> <li>• accumulated depreciation provisions</li> <li>• annual depreciation charge</li> <li>• profit or loss on disposal</li> </ul>
<p>7 Understand the process of accounting for prepayments and accruals</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>7.1 Recognise the accounting concepts applied when making adjustments for prepayments and accruals</p> <p>7.2 Understand how prepayments and accruals are maintained in a computerised accounting package</p>
<p>8 Understand the process of accounting for bad and doubtful debts</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>8.1 Recognise the terms 'bad' and 'doubtful debts' and understand the difference between a bad debt and provision for doubtful debts</p> <p>8.2 Recognise the accounting concepts applied when writing-off bad debts and providing for doubtful debts</p> <p>8.3 Understand the process for accounting for a bad debt write off in a computerised accounting package</p> <p>8.4 Recognise each of following as methods on which a doubtful debts provision is calculated:</p> <ul style="list-style-type: none"> <li>• general provision</li> <li>• specific provision</li> </ul>

	<p>8.5 Understand the process for calculating a provision for doubtful debts, and entering a provision for doubtful debts adjustment in a computerised accounting system</p> <p>8.6 Know how the following are used in the generation of reports for the purpose of financial statements:</p> <ul style="list-style-type: none"> <li>• bad debt write-off</li> <li>• provision for doubtful debts adjustment</li> <li>• provision for doubtful debts</li> </ul>
<p>9 Understand the purpose of a trial balance and a suspense account</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>9.1 Understand the purpose of the trial balance</p> <p>9.2 Recognise types of error the trial balance will <b>not</b> expose</p> <p>9.3 Recognise types of error exposed by the trial balance and know the process for tracing errors within the bookkeeping system</p> <p>9.4 Understand the purpose of the suspense account</p>
<p>10 Understand the purpose of financial statements</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>10.1 Recognise the format of the trading and profit and loss account generated by the computerised accounting package and understand its purpose</p> <p>10.2 Recognise the format of the balance sheet generated by the computerised accounting package and understand its purpose</p>
<p>11 Understand the principles of accounting for partnerships</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>11.1 Understand the term 'partnership'</p> <p>11.2 Recognise advantages and disadvantages of partnerships</p> <p>11.3 Recognise the main provisions of the Partnership Act 1890</p> <p>11.4 Understand the purpose of a Partnership Agreement and identify the main contents of such an agreement</p> <p>11.5 Recognise the purpose of the following accounts and reports</p> <ul style="list-style-type: none"> <li>• partners' fixed capital accounts</li> <li>• partners' current accounts</li> <li>• partnership trading and profit and loss account</li> <li>• partnership profit or loss appropriation account</li> <li>• partnership balance sheet</li> </ul>
<p>12 Understand the purposes of budgeting</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>12.1 Understand the purpose of budgets</p> <p>12.2 Understand the calculation of variances and how these can be used to aid management decisions</p>

<b>Unit title</b>	Principles of cash management - L/616/7362
<b>Level</b>	<b>3</b>
<b>GLH</b>	<b>15</b>
<b>Learning Outcomes</b>	<b>Assessment Criteria</b>
<p><b>Demonstrate knowledge</b></p> <p>1 Understand how the external environment impacts on how a business manages its cash assets</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>1.1 Understand how government policies affect a business's treasury functions:  - understand the term 'treasury function'  - understand how the government's monetary policy in controlling the supply of money in the economy, and the effect of this on the rate of inflation and interest rates, impacts on a business's treasury function</p> <p>1.2 Identify statutory and other regulations relating to the management of cash balances in different types of business organisation</p> <p>1.3 Recognise that a business's principles of cash management will be determined by their own specific financial regulations, guidelines and security procedures and understand how its regulations, guidelines and procedures influence its principles of cash management</p> <p>1.4 Understand that recording and accounting practices may vary in different parts of a business resulting in a variety of sources of information being available for determining likely patterns of cash flow</p>
<p><b>Demonstrate knowledge</b></p> <p>2 Be able to make informed decisions regarding the management of the cash balances of a business</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>2.1 Understand that effective cash management is based on the need to categorise a business's cash receipts and payments according to their main characteristics and patterns of cash flow</p> <p>2.2 Identify and categorise a business's cash receipts and payments</p> <p>2.3 Identify the characteristics of the following main types of cash receipts and payments:  - regular (operational) cash receipts  - capital receipts  - exceptional receipts  - regular (operational) cash payments  - capital payments  - exceptional payments  - proprietor drawings</p> <p>2.4 Understand how a business can raise finance from a bank  In the form of a loan and an overdraft</p> <p>2.5 Recognise and compare the main features of overdrafts and</p>

	<p>loans, including:</p> <ul style="list-style-type: none"> <li>• advantages and disadvantages</li> <li>• the purpose and content of facility letters</li> <li>• term (time period)</li> <li>• interest rates (fixed, variable and capped)</li> <li>• fees</li> <li>• repayment structure</li> <li>• security (personal guarantee, fixed and floating charges)</li> </ul> <p>2.6 Identify the following as types of business investment and recognise the risks and terms and conditions associated with each of them:</p> <ul style="list-style-type: none"> <li>• certificates of deposit</li> <li>• government securities</li> <li>• local authority short term loans</li> <li>• shares</li> </ul>
<p><b>Demonstrate knowledge</b></p> <p>3 Understand a range of accounting and other business techniques used to improve the efficiency of cash balances within a business</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>3.1 Understand the relationship between the techniques of cash flow accounting, accounting for a business's income and expenditure and recognise the importance of distinguishing cash from profit</p> <p>3.2 Understand the meaning of the term 'liquidity' and identify the following as being features of liquidity management:</p> <ul style="list-style-type: none"> <li>• The importance of cash to a business's daily operations and its ability to meet its future financial obligations</li> <li>• the management of working capital</li> <li>• the management of cash so as to avoid overtrading and overcapitalisation</li> </ul> <p>3.3 Identify the following as being component parts of a cash budget and understand that the cash budget is presented in a format that shows the composition and timing of receipts and payments and changes in the cash position of a business:</p> <ul style="list-style-type: none"> <li>• an analysis of the sources of cash receipts for the period, resulting in the calculation of total cash receipts for the period</li> <li>• an analysis of the sources of cash payments for the period, resulting in the calculation to total cash payments for the period</li> <li>• net cash flow for the period</li> <li>• Bank balance brought forward at beginning of period</li> <li>• Bank balance carried forward at end of period</li> </ul> <p>3.4 Understand the effect of lagged receipts and payments on a business's cash management</p> <p>3.5 Recognise that the value of cash transactions can be calculated by adjusting figures in the financial statements to reverse the effect of accounting adjustments such as prepayments, accruals and depreciation</p>

	<p>3.6 Identify the following as statistical techniques that can be used to estimate the future trends of income and expenditure:</p> <ul style="list-style-type: none"> <li>• moving averages (time series analysis)</li> <li>• allowances for inflation</li> </ul> <p>3.7 Understand how a cash budget is used by management for the purpose of decision making</p> <p>3.8 Identify the ways to manage risk and exposure when investing surplus funds, to minimise potential losses to the business</p>
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<b>Unit title</b>	Manage cash effectively - Y/616/7364
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<b>Level</b>	<b>3</b>
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<b>GLH</b>	<b>45</b>
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<b>Learning Outcomes</b>	<b>Assessment Criteria</b>
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<p><b>Demonstrate skills</b></p> <p>1 Prepare forecasts of income and expenditure for a business for a given period of time</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>1.1 Use information from a range of sources within the business to prepare a cash budget:</p> <ul style="list-style-type: none"> <li>- from given information calculate sales receipts for inclusion in the cash budget, taking into account sales price fluctuations, the effect of prompt payment discounts, bad debts and lagging</li> <li>- from given information calculate purchase payments for inclusion in the cash budget, taking into account purchase price fluctuations the effect of prompt payment discounts and lagging</li> <li>- from given information calculate non-sales receipts and non-purchase payments for inclusion in the cash budget (to include cash receipts and payments based on different receipt and payment patterns)</li> <li>- ensure exceptional receipts and payments are anticipated and included in the cash budget</li> </ul> <p>Note – when preparing a cash budget amounts must be expressed in round £'s observing the mathematical rules of rounding</p> <p>1.2 Prepare forecasts of income and expenditure using statistical techniques – trend analysis and allowance for inflation</p> <p>1.3 Prepare a cash budget for a number of months clearly indicating the net cash position of the business at the end of each month</p>
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<p><b>Demonstrate skills</b></p> <p>2 Use forecasts to monitor a business's cash flow</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>2.1 Compare actual cash flows with forecast cash flows and identify significant deviations (favourable and adverse variances) from the cash budget</p> <p>2.2 Summarise variances from the cash budget and reconcile forecast cash flows with actual cash flows</p> <p>2.3 Identify possible reasons for differences (favourable and adverse variances) between forecast cash flows and actual cash flows and take corrective action within the business's organisational policies</p>
<p><b>Demonstrate skills</b></p> <p>3 Use a business's cash balances effectively</p>	<p><b>Learners are required to demonstrate they are able to:</b></p> <p>3.1 Observe the business's financial regulations and guidelines governing financing, investment and risk when making recommendations relating to the management of cash</p> <p>3.2 Take account of trends in the economic and financial environment in managing cash balances</p> <p>3.3 Manage cash, overdrafts and loans in order to maintain an adequate level of liquidity in line with cash forecasts</p> <p>3.4 Use a cash budget to anticipate financing requirements and investment opportunities</p> <p>3.5 Make recommendations for financing cash shortfalls, identified by the cash budget, on the most favourable terms available by selecting the most appropriate form of financing considering the following factors:</p> <ul style="list-style-type: none"> <li>- purpose for which the finance is required</li> <li>- period of time for which the finance is required</li> <li>- amount of finance required</li> </ul> <p>3.6 Make recommendations for investing surplus funds, identified by the cash budget, taking into account the following factors:</p> <ul style="list-style-type: none"> <li>- the business's policies and procedures</li> <li>- internal regulations</li> <li>- attitude towards risk</li> <li>- period of time of investment</li> <li>- return on the investment</li> <li>- termination costs</li> <li>- realisation</li> <li>- authorisation limits</li> </ul>

<b>Unit title</b>	Use a computerised accounting package – D/508/6629	
<b>Level</b>	<b>3</b>	
<b>GLH</b>	<b>60</b>	
<b>Learning Outcomes</b>	<b>Assessment Criteria</b>	
1 Set up a computerised accounting system	<p><b>Learners are required to demonstrate they can:</b></p> <p>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 including:</p> <ul style="list-style-type: none"> <li>• Business name</li> <li>• Financial year</li> <li>• VAT scheme</li> <li>• Customer and supplier details</li> <li>• Nominal account names</li> <li>• Budget figures</li> </ul> <p>1.2 Enter outstanding customer and supplier invoices, credit notes and payments on account</p> <p>1.3 Enter an opening trial balance</p> <p>1.4 Make amendments to account details, account codes, names, add missing references or amend incorrect references</p> <p>1.5 Set up accounts for recording transactions with the owner(s) and record transactions</p>	
2 Enter business transactions	<p><b>Learners are required to demonstrate they can:</b></p> <p>2.1 Input data to account for credit based transactions</p> <p>2.2 Enter non-credit transactions</p> <p>2.3 Process customer receipts and refunds</p> <p>2.4 Process supplier payments and refunds</p> <p>2.5 Process payments through the bank current account</p> <p>2.6 Process payments made by a business credit card</p> <p>2.7 Process petty cash transactions</p> <p>2.8 Reconcile the balance on bank accounts, including credit cards</p> <p>2.9 Record transactions relating to the owner(s) including amounts contribution by the owner(s) during the period</p>	

<p>3 Prepare and post journal entries</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>3.1 Prepare and post journal entries to account for the following:</p> <ul style="list-style-type: none"> <li>• bad debts and VAT bad debt relief</li> <li>• provision for doubtful debts</li> <li>• the correction of errors</li> <li>• the clearing of balances on VAT purchase tax and sales tax accounts</li> <li>• wages and salaries (net pay, deductions from pay and employer on-costs)</li> <li>• goods taken by the owner for own use</li> </ul>
<p>4 Account for a stock valuation</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>4.1 Adjust a stock valuation</p> <p>4.2 Prepare and post a journal entry to account for closing stock</p>
<p>5 Account for fixed assets</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>5.1 Maintain a fixed asset register by updating the fixed asset module within the computerised accounting package</p> <p>5.2 Use the fixed asset module to calculate depreciation using the straight line and diminishing balance methods applying the full year and month-for-month bases</p> <p>5.3 Prepare and post a journal entry to account for a fixed asset bought on credit</p> <p>5.4 Post the depreciation charge for the period to the profit and loss account</p> <p>5.5 Record the disposal of a fixed asset in the computerised accounting system</p>
<p>6 Account for prepayments and accruals</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>6.1 Make calculations to account for amounts received in advance, receivable in arrears, paid in advance and payable in arrears</p> <p>6.2 Prepare and post entries on to the computerised accounting system to account for prepayment and accruals adjustments</p>
<p>7 Account for bad and doubtful debts</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>7.1 Account for the write off of a bad debt and claim VAT bad debt relief</p> <p>7.2 Calculate a provision for doubtful debts using the general provision or specific provision bases</p> <p>7.3 Calculate a provision for doubtful debts increase or decrease adjustment and enter the adjustment in a provision for doubtful debts account</p>



<p>8 Make end of period adjustments</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>8.1 Adjust the accounts for period end adjustments including:</p> <ul style="list-style-type: none"> <li>• Stock</li> <li>• Income</li> <li>• Expenses</li> <li>• VAT</li> <li>• Adjustments for partnership entries including interest on capital and drawings</li> </ul>
<p>9 Amend the chart of accounts and generate reports</p>	<p><b>Learners are required to demonstrate they can:</b></p> <p>9.1 Edit and check the chart of accounts to show specific categories of information</p> <p>9.2 Generate period end reports for a sole trader and/or partnership including:</p> <ul style="list-style-type: none"> <li>• Profit and loss account</li> <li>• Balance sheet</li> <li>• VAT return</li> <li>• Budget v's actual report</li> </ul> <p>9.3 Generate other reports including:</p> <ul style="list-style-type: none"> <li>• Supplier and customer names and addresses</li> <li>• Supplier and customer activity reports</li> <li>• Aged debtors and creditor reports</li> <li>• Trial balance</li> <li>• Summary audit trail</li> <li>• Bank statement reconciled and unreconciled transactions</li> <li>• Day book reports (customer invoices and credits, supplier invoices and credits), by reference or date</li> </ul> <p>9.4 Analyse figures to provide management information</p>

### 13 Links to National Occupational Standards (NOS)

The mandatory units within the Level 3 Certificate in Computerised Bookkeeping and Accounting qualification link with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-1
- FA-2
- FA-3