

Section 1 – **Areas of good performance**

- Sales and purchase invoices are usually processed correctly.
- Setting up a new nominal account is processed correctly.
- There is evidence that candidates are proof reading their work resulting in fewer typographical errors.

Section 2 – **Areas for development**

- Batch totals must be completed in full.
- Some candidates are clearly not reading the “Statement of Accounting Policies” resulting in incorrect rounding of depreciation and the provision for bad debts.
- The transfer of funds between the bank account and the cash account is often incorrect.
- Candidates often produce a bank statement rather than a bank reconciliation statement.
- The processing of accruals, prepayments and closing stock is frequently incorrect.
- Reports requiring a specified date range are often produced with an incorrect range.
- The date of the contra and the cancelled cheque is often incorrect.

Section 3 – Recommendations

- Candidates should be taught the importance of the batch totals to check their input.
- It is important that candidates read the Statement of Accounting Policies. This informs them of roundings requirements and also details how to deal with stock.
- Tutors should stress the importance of using the reading time to plan their work. In particular make careful note of the requirement regarding the transfer of funds and also highlight dates for contras and cancelled cheques.
- Candidates must have a thorough understanding of how to deal with accruals and prepayments.
- Tutors should stress the importance of entering the correct date range for reports. Activity reports must show all customer and supplier activity and nominal ledger reports must show all cash and bank activity. Other reports may have a specified date range.
- Candidates must be shown how to produce a bank reconciliation statement at a given date.
- In conclusion, tutors must give candidates a thorough grounding in each of the elements of the syllabus, together with practical work by way of past papers.

Examiner's Name Peter Hailstone Signature _____ Date 16 April 2013

Level 3 Percentage pass rate for 2012

