

Level 1/2/3 Award in Book-keeping and Accounts (8991)



Qualification handbook

500/4767/X – Level 1

500/4685/8 – Level 2

500/4768/1 – Level 3

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Level 1/2/3 Award in Book-keeping and Accounts (8991)

Version and date	Change detail	Section
1.1 August 2013	product code for ordering on demand exam papers added to section 7	Assessment Section 7
1.2 October 2017	Added GLH and TQT details Removed QCF	About the qualifications Throughout
1.3 September 2018	Calculation of settlement discount	8.1 Guidance notes p.28

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1 About this document

This document contains the information that centres need to offer the following Awards:

Qualification title	City & Guilds qualification number	QCA accreditation number(s)	Guided Learning Hours	Total credit value
Level 1 Award in Book-keeping and Accounts	8991-01	500/4767/X	30	3
Level 2 Award in Book-keeping and Accounts	8991-02	500/4685/8	30	4
Level 3 Award in Accounting and Book-keeping	8991-03	500/4768/1	60	8

This document includes details and guidance on:

- centre resource requirements
- candidate entry requirements
- information about links with, and progression to, other qualifications
- qualification standards and specifications
- assessment requirements

2 About the qualifications

2.1 Accreditation details

Accreditation details

These qualifications are

- accredited by the Qualifications and Curriculum Authority at Level 1, 2 and 3

Total Qualification Time

Total Qualification Time (TQT) is the total amount of time, in hours, expected to be spent by a Learner to achieve a qualification. It includes both guided learning hours (which are listed separately) and hours spent in preparation, study and assessment.

Title and level	GLH	TQT
Level 1 Award in Book-keeping and Accounts	30	30
Level 2 Award in Book-keeping and Accounts	30	40
Level 3 Award in Book-keeping and Accounts	60	80

2 About the qualifications

2.2 Aims of the qualifications

Qualification overview

At Level 1 the aim of the qualification is to provide candidates with an introduction to book-keeping practices and to process source documents that underpin accurate record keeping.

Candidates will:

- check and process documents involved in financial record keeping
- develop skills to carry out routine book-keeping processes
- develop underpinning knowledge of book-keeping principles
- prepare statements as a preliminary to financial control

At Level 2 the aim of the qualification is to further develop the introductory book-keeping practices and processes studied at level one to enable candidates to adjust ledger accounts to take account of activities at the trial balance date which affect the production of an accurate trading, profit and loss account and balance sheet.

Candidates will:

- check and correct errors arising from inaccurate/incomplete/missing entries in the ledger and day books
- provide for depreciation of fixed assets using ledger accounts
- account for accruals, prepayments, bad debts and provide for doubtful debts
- prepare individual accounts in purchase and sales ledgers
- prepare purchase ledger control accounts and sales ledger control accounts
- complete an extended trial balance

At Level 3 the aim of the qualification is to further develop the practices and processes studied at level one and two to enable candidates to record and interpret financial transactions up to and including final accounts.

Candidates will:

- prepare final accounts of sole trader, partnerships, companies and not-for-profit organisations from conventional and incomplete records
- prepare year end and other adjustments associated with the above variety of organisations
- demonstrate an understanding of accounts through analysis and interpretation

The aims of these qualifications are to:

- meet the needs of candidates who work or want to work in job roles such as:
 - Accounting technicians
 - Accounts/Finance clerks
 - Private practice accountants
- allow candidates to learn, develop and practise the skills required for employment and/or career progression in the accounting sector
- contribute to the knowledge and understanding towards the related Level 2 and 3 NVQ in Accounting (qualification number 7421), whilst containing additional skills and knowledge which go beyond the scope of the NOS. See the NNO Relationship mapping in 6.1 for further details.
- replace the City & Guilds Level 1 and 2 Certificate in Book-keeping (qualification number 8953) and Level 3 Certificate in Accounting (qualification number 8950) which expire on 30/09/2008.

2 About the qualifications

2.3 Rules of combination

Rules of combination are used to define the structure of qualifications. The rules of combination specify the credits which must be achieved through a particular combination of units to gain a full qualification.

This section provides information about the full qualifications which may be awarded to candidates successfully completing the required of units as shown in the table below:

Accreditation reference	City & Guilds qualification number	Qualification title	Mandatory/ optional for full qualification	Credit value
500/4767/X	8991-01	Level 1 Award in Book-keeping and Accounts	Mandatory	3
500/4685/8	8991-02	Level 2 Award in Book-keeping and Accounts	Mandatory	4
500/4768/1	8991-03	Level 3 Award in Book-keeping and Accounts	Mandatory	8

Certificates

Candidates who complete a full qualification will receive a certificate for their full award.

2 About the qualifications

2.4 Sources of information and assistance

Related publications

City & Guilds also provides the following documents specifically for these qualifications:

Publication	Available from
Sample test papers	www.cityandguilds.com
Examination support guide	www.cityandguilds.com
Promotional materials	www.cityandguilds.com

Other essential City & Guilds documents

There are other City & Guilds documents which contain general information on City & Guilds qualifications:

- ***Providing City & Guilds qualifications – a guide to centre and qualification approval***
contains detailed information about the processes which must be followed and requirements which must be met for a centre to achieve 'approved centre' status, or to offer a particular qualification.
- ***Ensuring quality***
contains updates on City & Guilds assessment and policy issues.
- ***Centre toolkit***
contains additional information on *Providing City & Guilds qualifications*, in a CD-ROM, which links to the internet for access to the latest documents, reference materials and templates. The *Centre Toolkit* is sent to centres when they receive approved centre status. It is also available from to order at an additional cost.
- ***Online catalogue/shop***
contains details of general regulations, registration and certification procedures and fees.

For the latest updates on our publications and details of how to obtain them and other City & Guilds resources, please refer to the City & Guilds website.

City & Guilds websites

Website	Address	Purpose and content
City & Guilds main website	www.cityandguilds.com	This is the main website for finding out about the City & Guilds group, accessing qualification information and publications.
SmartScreen	www.smartscreen.co.uk	SmartScreen is the City & Guilds online learning support website. It gives registered subscribers access to qualification-specific support materials.
Walled Garden	www.walled-garden.com	The Walled Garden is a qualification administration portal for approved centres, enabling them to register candidates and claim certification online.

Contacting City & Guilds by e-mail

The following e-mail addresses give direct access to our Customer Relations team.

e-mail	Query types
learnersupport@cityandguilds.com	all learner enquiries, including <ul style="list-style-type: none">• requesting a replacement certificate• information about our qualification• finding a centre.
centresupport@cityandguilds.com	all centre enquiries
walledgarden@cityandguilds.com	all enquiries relating to the Walled Garden, including <ul style="list-style-type: none">• setting up an account• resetting passwords.

3 Candidate entry and progression

Candidate entry requirements

Candidates should not be entered for a qualification of the same type, content and level as that of a qualification they already hold.

There are no formal entry requirements for candidates undertaking these qualifications. However, centres must ensure that candidates have the potential and opportunity to successfully gain the qualifications.

Please see section 5 of this document, Course design and delivery, which offers guidance on initial assessment.

Age restrictions

There are no age limits attached to candidates undertaking the qualifications unless this is a legal requirement of the process or the environment.

Progression

The qualifications provide knowledge related to the City & Guilds Level 2 and 3 NVQ in Accounting

On completion of these qualifications candidates may progress into employment or to the following City & Guilds qualifications:

- City & Guilds Level 1-3 Award in Business Finance
- City & Guilds Level 1-3 Award in Computerised Accounts
- City & Guilds Level 2 and 3 NVQ in Accounting
- Apprenticeship/Advanced Apprenticeship in Accounting

4 Centre requirements

4.1 Centre, qualification and fast track approval

Centres not yet approved by City & Guilds

To offer these qualifications, new centres will need to gain both **centre approval**. Please refer to Appendix 2 for further information.

Existing City & Guilds centres

Centres already approved to deliver City & Guilds qualifications are automatically able to offer these qualifications.

4 Centre requirements

4.2 Resource requirements

Human resources

To meet the quality assurance criteria for these qualifications, the centre must ensure that the following internal roles are undertaken:

- quality assurance co-ordinator
- trainer / tutor

Staff delivering the qualifications

All new teachers delivering publicly funded qualifications in the learning and skills sector (all post 16 education – including FE, adult and community learning, work-based learning, offender education) in England are now required to take qualifications which form part of the Qualified Teacher – Learning and Skills (QTLS) framework. City & Guilds offers a range of qualifications within the QTLS framework. Details are available on the QTLS pages of www.cityandguilds.com.

Staff delivering these qualifications must also be able to demonstrate that they meet the following occupational expertise requirements:

- be technically competent in the areas for which they are delivering training and/or have experience of providing training. This knowledge must be at least to the same level as the training being delivered.

Centre staff may undertake more than one role eg tutor and assessor or internal verifier, but must never internally verify their own assessments.

Trainer / tutors must

- be occupationally knowledgeable in the area of Book-keeping and Accounts for which they are delivering training. This knowledge must be at least to the same level as the training being delivered.
- have credible experience of providing training.

Continuing professional development (CPD)

Centres are expected to support their staff in ensuring that their knowledge of the occupational area and of best practice in delivery, mentoring, training, assessment and verification remains current, and takes account of any national or legislative developments.

4 Centre requirements

4.3 Administration, registration and certification

City & Guilds' administration

Full details of City & Guilds' administrative procedures for these qualifications are provided in the *Online Catalogue*. This information includes details on:

- fees
- entry for examinations

Centres should be aware of time constraints regarding the registration and certification periods for the qualifications, as specified in the City & Guilds *Online Catalogue*.

The tests can be ordered via the Walled Garden, by using EDI, or by Form BB. When ordering using Form BB enter the order codes of the qualification and assessment, the qualification title, the number of candidates and the date and time of the assessment.

Centres should follow all administrative guidance carefully, particularly noting that fees, registration and certification end dates for the qualifications are subject to change. The latest News is available on the website (www.cityandguilds.com).

Regulations for the conduct of examinations

Regulations for the conduct of examinations for online and written examinations are given in *Providing City & Guilds qualifications - a guide to centre and qualification approval* and in the *Online Catalogue*. Centres should ensure they are familiar with all requirements prior to offering assessments.

Retaining assessment records

Centres must retain copies of candidate assessment records for at least three years after certification.

Notification of results

After completion of assessment, candidates will receive, via their centre, a 'notification of candidate results', giving details of how they performed. It is not a certificate of achievement.

Full certificates

Full certificates are only issued to candidates who have met the full requirements of the qualification[s], as described in section 2.3 *Rules of combination*.

4 Centre requirements

4.4 Quality assurance

This information is a summary of quality assurance requirements.

Providing City & Guilds qualifications and in the *Centre toolkit* provide full details and guidance on:

- internal quality assurance
- external quality assurance
- roles and responsibilities of quality assurance staff.

Internal quality assurance

Approved centres must have effective quality assurance systems to ensure optimum delivery and assessment of qualifications.

Quality assurance includes initial centre approval, qualification approval and the centre's own internal procedures for monitoring quality. Centres are responsible for internal quality assurance, and City & Guilds is responsible for external quality assurance.

5 Course design and delivery

5.1 Initial assessment and induction

Centres will need to make an initial assessment of each candidate prior to the start of their programme to ensure they are entered for an appropriate type and level of qualification.

Further guidance about initial assessment and induction, as well as a learning contract that centres may use, are available in the *Centre toolkit*.

5 Course design and delivery

5.2 Recommended delivery strategies

Centre staff should familiarise themselves with the structure, content and assessment requirements of the qualifications before designing a course programme.

Centres may design course programmes of study in any way that

- best meets the needs and capabilities of their candidates
- which satisfies the requirements of the qualifications.

In particular, staff should consider the skills and knowledge related to the national occupational standards.

City & Guilds recommends that centres address the wider curriculum, where appropriate, when designing and delivering the course. Centres should also consider links to the National Occupational Standards, Key/Core Skills and other related qualifications. Relationship tables are provided section 6 Relationships to other qualifications to assist centres with the design and delivery of the qualification.

Centres may wish to include topics as part of the course programme which will not be assessed through the qualifications.

5 Course design and delivery

5.3 Data protection, confidentiality

Data protection and confidentiality

Data protection and confidentiality must not be overlooked when planning the delivery of this qualification.

Centres offering these qualifications may need to provide City & Guilds with personal data for staff and candidates. Guidance on data protection and the obligations of City & Guilds and centres are explained in *Providing City & Guilds qualifications*.

5 Course design and delivery

5.4 Learning and support resources

City & Guilds provides the following resources for these qualifications.

Resource	How to access
Examination support guide	www.cityandguilds.com

6 Relationships to other qualifications

6.1 Links to National Occupational Standards/other qualifications

City & Guilds has identified the connections to the Accounting NOS and Level 2 and 3 NVQ in Accounting (7421) on the NQF. This mapping is provided as guidance and suggests areas of overlap and commonality between the qualifications. It **does not** imply that candidates completing units in one qualification are automatically covering all of the content of the qualifications listed in the mapping.

Centres are responsible for checking the different requirements of all qualifications they are delivering and ensuring that candidates meet requirements of all units/qualifications.

These qualifications have connections to the

- Level 2 NVQ in Accounting
- Level 3 NVQ in Accounting

Level 1 Award in Book-keeping and Accounts

Relationship to the NVQ units

Learning Outcomes	NVQ Units
1. Know how to complete financial documents	201, 202, 203
2. Record cash and credit transactions in books of original entry	201, 202, 203
3. Prepare bank reconciliation	201, 202, 203
4. Understand the petty cash imprest system	202, 203
5. Extract a trial balance from ledger accounts	202, 203

Level 2 Award in Book-keeping and Accounts

Relationship to the NVQ units

Learning Outcomes	NVQ Units
1. Prepare ledger accounts	203
2. Prepare control accounts	203, 305
3. Correct errors in business accounts	203, 305
4. Differentiate between capital and revenue expenditure	305
5. Record depreciation	305
6. Make year end adjustments in business accounts	305
7. Prepare and complete a trial balance	203, 305

Level 3 Award in Accounting and Book-keeping

Relationship to the NVQ units

Learning Outcomes	NVQ Units
1. Prepare financial information for a sole trader business	203, 305
2. Prepare financial information for a partnership	203, 305
3. Prepare financial information for limited liability companies	203, 305 and Unit 11 from the Accounting NOS
4. Prepare financial information for no-for-profit organisations	203, 305
5. Prepare financial information to record the manufacturing process in final accounts	203, 305
6. Prepare financial information for a sole trader from incomplete records	203, 305
7. Prepare a balance sheet	N/A
8. Analyse and interpret final accounts	N/A

Contacting the Sector Skills Council/Standards Setting Body

These units were developed by City & Guilds

Name of SSC	Financial Services Skills Council
Address	51 Gresham Street, London, EC2V 7HQ
Telephone	0845 257 3772
Fax	0845 257 3770
e-mail	info@fssc.org.uk
URL	www.fssc.org.uk

6 Relationships to other qualifications

6.2 Key skills (England)

These qualifications include opportunities to develop and practise many of the underlying skills and techniques described in Part A of the standard for each key skills qualification. Where candidates are working towards any key skills alongside these qualifications they will need to be registered with City & Guilds for the key skills qualifications.

It should not be assumed that candidates will necessarily be competent in, or able to produce evidence for, the key skills at the same level as these qualifications.

The 'signposts' below identify the **potential** for key skills portfolio evidence gathering that can be naturally incorporated into the completion of each unit. Any key skills evidence needs to be separately assessed and must meet the relevant standard defined in the QCA document '*Key skills qualifications standards and guidance*'.

Unit number	Communication	Application of Number
001	C1.2	N1.1, N1.2, N2.2
002	C1.2	N1.1, N1.2, N2.2
003	C1.2	N1.1, N1.2, N2.2, N2.3

7. Assessment

7.1 Summary of assessment requirements

For each of these qualifications, candidates will be required to complete one externally set and marked test. This will consist of a number of practical tasks.

City & Guilds provides the following assessments:

Level/ Unit No.	Title	Assessment Method	Where to obtain assessment materials
Level 1/001	Book-keeping and Accounts Level 1	On Demand, externally set/externally marked test.	Order via the Walled Garden Product code 8991-101
Level 2/002	Book-keeping and Accounts Level 2	On Demand, externally set/externally marked examination paper.	Order via the Walled Garden Product code 8991-102
Level 3/003	Accounting and Book-keeping Level 3	On Demand, externally set/externally marked examination paper.	Order via the Walled Garden Product code 8991-103

Time constraints

Examinations

Level 1 - 1 hour and 30 minutes

Level 2 - 2 hours

Level 3 - 2 hours and 30 minutes

Grading and marking

Assessments will be graded Pass or First Class Pass

Detailed marking and grading criteria are provided within the Examination Support Guide.

Assessments are externally marked and graded.

Sample assessments

Sample papers are available on the City and Guilds website. There are also additional sample materials within the Examination Support Guide.

8 Units

8.1 About the units

Availability of units

The units for these qualifications are available from the City & Guilds website.

Structure of units

The units in these qualifications are written in a standard format and comprise the following:

- City & Guilds reference number
- title
- level
- credit value
- unit aim
- relationship to NOS/other qualifications
- endorsement by a sector or other appropriate body
- key skills mapping
- statement of guided learning hours
- assessment and grading
- learning outcomes
- guidance notes.

Level: 1

Credit value: 3

Unit aims

The aims of the qualification are to test the learner's ability to undertake basic book-keeping practices and to process source documents that underpin accurate record keeping.

Learning outcomes

There are **five** learning outcomes to this unit. The learner will be able to:

- know how to complete financial documents
- record cash and credit transactions in books of original entry
- prepare bank reconciliation
- understand the petty cash imprest system
- extract a trial balance from ledger accounts

Guided learning hours

It is recommended that **30** hours should be allocated for this unit. This may be on a full-time or part-time basis.

Details of the relationship between the unit and relevant national occupational standards (if appropriate)

This unit is linked to the Level 2 NVO in Accounting.

Endorsement of the unit by a sector or other appropriate body (if required)

This unit is endorsed by the Financial Services Skills Council (FSSC).

Key Skills

This unit contributes towards the Key Skills in the following areas:

- Communication
- Application of Number

Assessment and grading

This unit will be assessed by a one hour thirty minute question paper, which will be externally marked.

The examination paper will take the format of a number of practical tasks. All areas of the syllabus will be tested on every paper and questions will follow a standard format, although details will vary on each paper.

Assessment Criteria

Underpinning knowledge

The learner can:

- 1.1 state the purpose and identify the content of financial documents
- 1.2 calculate sales tax, trade discount, settlement (cash) discount, price, price extension on invoices and credit notes
- 1.3 complete financial documents
- 1.4 check the accuracy of financial documents

Guidance notes

1.1 In calculating settlement discount, the tax value is based on the gross invoice amount. Re-calculation of net and gross amounts is expected if discount is taken.

Tax rates will be tested using a variable rate and will be specified in assessments.

1.2-1.3 Financial documents: invoices, statements, credit notes, cheques, cash requisition vouchers.

It is expected that candidates will have an understanding of the purpose and content of the above documents.

Unit 001

Level 1 Award in Book-keeping and Accounts

Outcome 2

Record cash and credit transactions in books of original entry

Assessment Criteria

Underpinning knowledge

The learner can:

- 2.1 enter invoices and credit notes into appropriate day books
- 2.2 transfer the total(s) of the day book(s) to the respective ledger account(s)
- 2.3 post individual transactions from the day books to personal ledger accounts
- 2.4 record cash book transactions and credit transactions using double-entry book-keeping

Guidance notes

2.1 Day books include sales day book, purchases day book, sales returns day book, purchases returns day book.

2.2 Totals include sales, purchases, (sales) tax, sales returns, purchase returns.

Tax will be tested using a variable rate and will be specified in assessments.

2.4 Includes two three column cash books. Assessment will not involve sales tax in the cash book.

Assessment Criteria

Underpinning knowledge

The learner can:

3.1 update a cash book (bank balance using details from a bank statement)

3.2 recalculate the closing bank balance

3.3 prepare a bank reconciliation statement using appropriate information

Guidance notes

3.3 Appropriate information: un-presented cheques, returned cheques, outstanding lodgements, direct debits, standing orders, direct credits, other electronic payment methods eg BACs and online payment

Assessment Criteria

Underpinning knowledge

The learner can:

- 4.1 enter the opening balance in the petty cash book
- 4.2 analyse petty cash vouchers to appropriate analysis columns
- 4.3 balance and cross tally the petty cash book totals and analysis columns
- 4.4 transfer totals to ledger accounts as appropriate
- 4.5 restore the imprest

Unit 001

Level 1 Award in Book-keeping and Accounts

Outcome 5

Extract a trial balance from ledger accounts

Assessment Criteria

Underpinning knowledge

The learner can:

5.1 balance ledger accounts

5.2 bring down account balances to the following accounting period

5.3 extract the trial balance from the ledger and cash book

Guidance notes

5.1 Including the cash and bank balances in the cash book

Level: 2

Credit value: 4

Unit aims

The aims of the qualification are to test the learner's ability to develop introductory book-keeping practices and processes developed in introductory studies. The learner will also undertake activities at the trial balance date which affect the production of an accurate trading, profit and loss account and balance sheet.

Learning outcomes

There are **seven** learning outcomes to this unit. The learner will be able to:

- prepare ledger accounts
- prepare control accounts
- correct errors in business accounts
- differentiate between capital and revenue expenditure
- record depreciation
- make year end adjustments in business accounts
- prepare and complete a trial balance

Guided learning hours

It is recommended that **30** hours should be allocated for this unit. This may be on a full-time or part-time basis.

Details of the relationship between the unit and relevant national occupational standards (if appropriate)

This unit is linked to the Level 2 and 3 NVQ in Accounting.

Endorsement of the unit by a sector or other appropriate body (if required)

This unit is endorsed by the Financial Services Skills Council (FSSC).

Key Skills

This unit contributes towards the Key Skills in the following areas:

- Communication
- Application of number

Assessment and grading

This unit will be assessed by a two hour question paper, which will be externally marked.

The examination paper consists of a number of practical tasks, all of which should be attempted by the learner but the order in which they are undertaken will not be specified. All aspects of the syllabus will

be tested on every paper and questions will follow a standard format, although details will vary on each paper.

Unit 002 **Level 2 Award in Book-keeping and Accounts**
Outcome 1 **prepare ledger accounts**

Assessment Criteria

Underpinning knowledge

The learner can:

- 1.1 post transactions to ledger accounts
- 1.2 total and balance ledger accounts bringing down the balances

Guidance notes

1.1-1.2 Ledger accounts: accounts in the sales ledger, purchases ledger, general ledger.

Assessment Criteria

Underpinning knowledge

The learner can:

2.1 prepare control accounts from given information

2.2 reconcile control accounts with individual ledger account balances in the subsidiary ledger

Guidance notes

2.1 Control accounts: sales ledger control account, purchase ledger control account.

Information: sales ledger, purchase ledger, lists and totals associated with credit transactions.

Assessment Criteria

Underpinning knowledge

The learner can:

- 3.1 identify errors in ledger accounts
- 3.2 make appropriate adjustments in the journal to record the correction of errors
- 3.3 post appropriate adjustments from the journal to ledger accounts to correct errors
- 3.4 create and clear a suspense account where necessary

Guidance notes

3.1 Errors: incorrect double entries, missing entries, numerical inconsistencies, incorrect calculations

Unit 002

Outcome 4

Level 2 Award in Book-keeping and Accounts

differentiate between capital and revenue expenditure

Assessment Criteria

Underpinning knowledge

The learner can:

4.1 Understand the difference between capital and revenue expenditure

Guidance notes

4.1 The context of the business may influence the decision about whether specific expenditure is revenue or capital.

Assessment Criteria

Underpinning knowledge

The learner can:

- 5.1 calculate depreciation using the appropriate method
- 5.2 prepare accounts for depreciation and provision for depreciation

Guidance notes

- 5.1 Appropriate method: straight line, reducing balance

Assessment Criteria

Underpinning knowledge

The learner can:

6.1 write off bad debts

6.2 create a provision for doubtful debts

6.3 make an adjustment for an amended provision for doubtful debts in the business accounts

6.4 enter year end adjustments in the journal

6.5 post year end adjustments to ledger accounts

Guidance notes

6.3 Increase or decrease provision

6.4 Bad debt and provision for doubtful debt

Assessment Criteria

Underpinning knowledge

The learner can:

7.1 prepare a trial balance from cash book and ledger account balances

7.2 prepare a revised trial balance from one initially drafted incorrectly

7.3 complete an extended trial balance making adjustments for the year end

Guidance notes

7.2 From a trial balance initially drafted incorrectly

7.3 Adjustments: accruals, prepayments, bad debts, doubtful debts, depreciation, closing stock

Level: 3

Credit value: 8

Unit aims

At Level 3 the aim of the qualification is to further develop the practices and processes studied at level one and two book-keeping and accounts to enable candidates to record and interpret financial transactions up to and including final accounts.

Learning outcomes

There are **eight** learning outcomes to this unit. The learner will be able to:

- prepare financial information for a sole trader business
- prepare financial information for a partnership
- prepare financial information for limited liability companies
- prepare financial information for not-for-profit organisations
- prepare financial information to record the manufacturing process in final accounts
- prepare financial information for a sole trader from incomplete records
- prepare a balance sheet
- analyse and interpret final accounts

Guided learning hours

It is recommended that **60** hours should be allocated for this unit. This may be on a full-time or part-time basis.

Details of the relationship between the unit and relevant national occupational standards

This unit is linked to the Level 2 and 3 NVQ in Accounting

Endorsement of the unit by a sector or other appropriate body (if required)

This unit is endorsed by the Financial Services Skills Council (FSSC)

Key Skills

This unit contributes towards the Key Skills in the following areas:

- Communication
- Application of Number

Assessment and grading

This unit will be assessed by a two hour 30 minute question paper, which will be externally marked.

The examination paper will take the format of a number of practical tasks. All areas of the syllabus will be tested on every paper and questions will follow a standard format, although details will vary on each paper.

Unit 003

Level 3 Award in Accounting and Book-keeping

Outcome 1

Prepare financial information for a sole trader business

Assessment Criteria

Underpinning knowledge

The learner can:

- 1.1 record accounting entries from source documents using books of prime entry where appropriate
- 1.2 prepare end of period accounts including appropriate adjustments

Guidance notes

- 1.1 Books of prime entry: day books, cash book.
- 1.2 Appropriate adjustments: closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts.

Unit 003 Level 3 Award in Accounting and Book-keeping

Outcome 2 Prepare financial information for a partnership

Assessment Criteria

Underpinning knowledge

The learner can:

- 2.1 record accounting entries from source documents using books of prime entry where appropriate
- 2.2 prepare end of period accounts including appropriate adjustments
- 2.3 prepare the appropriation account of a partnership
- 2.4 apply the provisions of the UK Partnership Act 1890 relating to the distribution of profits and losses
- 2.5 prepare the current accounts of a partnership

Guidance notes

2.1 Books of prime entry: day books, cash book

2.2 Appropriate adjustments: closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts.

2.3 Appropriation account, including the appropriation of net profit/loss as per a partnership agreement including any or all of the following: interest on partners' capital accounts, interest on partners' drawings, partners' salaries and commission distribution of final residue profit/loss.

Differentiate between a sole trader and a partnership in terms of ownership and distribution of profit or losses.

2.5 Differentiate between current and capital accounts in terms of interest on capital, interest on drawings, partners' salary, balance of profit/loss.

Unit 003 Level 3 Award in Accounting and Book-keeping

Outcome 3 Prepare financial information for limited liability companies

Assessment Criteria

Underpinning knowledge

The learner can:

- 3.1 define financial information for limited liability
- 3.2 prepare end of period accounts including appropriate adjustments
- 3.3 prepare a vertical trading and profit and loss account for a company

Guidance notes

3.1 Including:

- the concept of limited liability
- authorised and issued ordinary share capital and preference shares. Excluding partly paid shares, bonus shares, rights issues and cumulative/non cumulative preference shares
- debentures and loan capital.

3.2 Appropriate adjustments: closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts.

3.3 Trading and profit and loss account including an appropriation of profits between taxation, dividends, and revenue reserves. Net losses will not be assessed.

Unit 003

Level 3 Award in Accounting and Book-keeping

Outcome 4

Prepare financial information for not-for-profit organisations

Assessment Criteria

Underpinning knowledge

The learner can:

4.1 define financial information for not-for-profit organisations

4.2 calculate an accumulated (capital) fund

4.3 distinguish between 'receipts and payments' and 'income and expenditure' for an accounting period

4.4 Calculate surpluses or deficits for a not-for-profit organisation

4.5 Prepare end of period revenue accounts for not-for-profit organisations

4.6 Incorporate appropriate adjustments into the end of period accounts

Guidance notes

4.1 Including:

- define a not-for-profit organisation
- calculating an accumulated (capital) fund
- distinguishing between 'receipts and payments' and 'income and expenditure' for an accounting period.

4.4 Surpluses or deficits arising from the sale of refreshments, social or recreational fund raising activities, the disposal of capital assets.

4.5 Receipts and payments account, income and expenditure account.

4.6 Appropriate adjustments: closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts.

Unit 003

Level 3 Award in Accounting and Book-keeping

Outcome 5

prepare financial information to record the manufacturing process in final accounts

Assessment Criteria

Underpinning knowledge

The learner can:

5.1 define financial information for a manufacturing organisation

5.2 differentiate between overheads in accounts

5.3 incorporate appropriate adjustments into the end of period accounts

Guidance notes

5.1 Define prime cost, factory overhead, raw materials consumed, work in progress, cost of goods produced

Prepare a manufacturing account in vertical format

Prepare a trading and profit and loss account in vertical format

5.2 Differentiation between proportions expended in the manufacturing accounts and the profit and loss account.

5.3 Appropriate adjustments: stocks of raw materials, work in progress, stocks of finished goods, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts.

Unit 003

Level 3 Award in Accounting and Book-keeping

Outcome 6

prepare financial information for a sole trader from incomplete records

Assessment Criteria

Underpinning knowledge

The learner can:

- 6.1 Prepare a statement of affairs as a means of computing the opening capital at the start of a trading period
- 6.2 Use statements of affairs to calculate the profit or loss for a trading period
- 6.3 Prepare a trading and profit and loss account in vertical format
- 6.4 Incorporate appropriate adjustments into the end of period accounts

Guidance notes

6.4 Appropriate adjustments: stocks, depreciation (including provision), accruals, prepayments, bad debts written off, provision for doubtful debts, sales, purchases, drawings.

Unit 003

**Level 3 Award in Accounting and
Book-keeping**

Outcome 7

Prepare a balance sheet

Assessment Criteria

Underpinning knowledge

The learner can:

7.1 prepare a balance sheet in vertical form using conventional presentation

Guidance notes

7.1 Conventional presentation: assets and liabilities in the appropriate order; Goodwill will not be tested; sole trader, partnerships, private limited companies, not for profit organisations.

Unit 003

Level 3 Award in Accounting and Book-keeping

Outcome 8

analyse and interpret final accounts

Assessment Criteria

Underpinning knowledge

The learner can:

8.1 interpret and calculate accounting ratios

8.2 use ratios to evaluate performance and liquidity

8.3 make judgments based on ratios and financial information

Guidance notes

8.1 Accounting ratios include gross profit margin, net profit margin, return on capital employed, stock turnover (in days), debtors collection (in days), current ratio, quick (acid test) ratio.

Calculations should be to one place of decimals.

8.2 Performance and liquidity can be evaluated over time in the same organisation or between different organisations.

8.3 Make recommendations based on ratios and financial information.

Appendix 1 Obtaining centre approval

Only approved organisations can offer City & Guilds qualifications. Organisations approved by City & Guilds are referred to as **centres**.

Centres must meet a set of quality criteria including:

- provision of adequate physical and human resources
- clear management information systems
- effective assessment and quality assurance procedures including candidate support and reliable recording systems.

An organisation that has not previously offered City & Guilds qualifications must apply for approval to become a centre. This is known as the **centre approval process**.

Full details of the procedures and forms for applying for centre and qualification approval are given in *Providing City & Guilds qualifications - a guide to centre and qualification approval*, which is also available on the City & Guilds centre toolkit, or downloadable from the City & Guilds website.

Regional / national offices will support new centres and appoint a Quality Systems Consultant to guide the centre through the approval process. They will also provide details of the fees applicable for approvals.

City & Guilds reserves the right to withdraw qualification or centre approval for reasons of debt, malpractice or non-compliance with City & Guilds' policies, regulations, requirements, procedures and guidelines, or for any reason that may be detrimental to the maintenance of authentic, reliable and valid qualifications or that may prejudice the name of City & Guilds. Further details of the reasons for suspension and withdrawal of approval, procedures and timescales, are contained in *Providing City & Guilds qualifications*.

Appendix 2 Summary of City & Guilds assessment policies

Health and safety

The requirement to follow safe working practices is an integral part of all City & Guilds qualifications and assessments, and it is the responsibility of centres to ensure that all relevant health and safety requirements are in place before candidates start practical assessments.

Should a candidate fail to follow health and safety practice and procedures during an assessment, the assessment must be stopped. The candidate should be informed that they have not reached the standard required to successfully pass the assessment and told the reason why. Candidates may retake the assessment at a later date, at the discretion of the centre. In case of any doubt, guidance should be sought from the external verifier.

Equal opportunities

It is a requirement of centre approval that centres have an equal opportunities policy (see *Providing City & Guilds qualifications*).

The regulatory authorities require City & Guilds to monitor centres to ensure that equal opportunity policies are being followed.

The City & Guilds equal opportunities policy is set out on the City & Guilds website, in *Providing City & Guilds qualifications*, in the *Online Catalogue*, and is also available from the City & Guilds Customer Relations department.

Access to qualifications on the Regulated Qualifications Framework is open to all, irrespective of gender, race, creed, age or special needs. The centre co-ordinator should ensure that no candidate is subject to unfair discrimination on any ground in relation to access to assessment and the fairness of the assessment.

Access to assessment

Qualifications on the Regulated Qualifications Framework are open to all, irrespective of gender, race, creed, age or special needs. The centre co-ordinator should ensure that no candidate is subject to unfair discrimination on any ground in relation to access to assessment and the fairness of the assessment.

City & Guilds' *Access to assessment and qualifications guidance and regulations* document is available on the City & Guilds website. It provides full details of the arrangements that may be made to facilitate access to assessments and qualifications for candidates who are eligible for adjustments in assessment.

Access arrangements are pre-assessment adjustments primarily based on history of need and provision, for instance the provision of a reader for a visually impaired candidate.

Special consideration refers to post-examination adjustments to reflect temporary illness, injury or indisposition at the time of the assessment.

Appeals

Centres must have their own, auditable, appeals procedure that must be explained to candidates during their induction. Appeals must be fully documented by the quality assurance co-ordinator and made available to the external verifier and/or City & Guilds.

Further information on appeals is given in *Providing City & Guilds qualifications*. There is also information on appeals for centres and learners on the City & Guilds website or available from the Customer Relations department.

Appendix 3 Funding

City & Guilds does not provide details on funding as this may vary between regions.

Centres should contact the appropriate funding body to check eligibility for funding and any regional/national arrangements which may apply to the centre or candidates.

For funding regulatory purposes, candidates should not be entered for a qualification of the same type, level and content as that of a qualification they already hold.

Please see the table below for where to find out more about the funding arrangements.

Nation	Who to contact	For higher level qualifications
England	<p>The Learning and Skills Council (LSC) is responsible for funding and planning education and training for over 16-year-olds. Each year the LSC publishes guidance on funding methodology and rates. There is separate guidance for further education and work-based learning.</p> <p>Further information on funding is available on the Learning and Skills Council website at www.lsc.gov.uk and, for funding for a specific qualification, on the Learning Aims Database http://providers.lsc.gov.uk/lad.</p>	<p>Contact the Higher Education Funding Council for England at www.hefce.ac.uk.</p>
Scotland	<p>Colleges should contact the Scottish Further Education Funding Council, at www.sfc.co.uk. Training providers should contact Scottish Enterprise at www.scottish-enterprise.com or one of the Local Enterprise Companies.</p>	<p>Contact the Scottish Higher Education Funding Council at www.shefc.ac.uk.</p>
Wales	<p>Centres should contact the The Department for Education, Culture and Welsh Language (DECWL): www.wales.gov.uk</p>	<p>Contact the The Department for Education, Culture and Welsh Language (DECWL): www.new.wales.gov.uk</p>
Northern Ireland	<p>Please contact the Department for Employment and Learning at www.delni.gov.uk.</p>	<p>Contact the Department for Employment and Learning at www.delni.gov.uk.</p>

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