Level 2 Working with computerised accounting software (7266-027)

www.cityandguilds.com/e-quals07
September 2011
Version7.0

e-Quals
Assignment guide for Candidates
Assignment A

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Level 2 Working with computerised accounting software (7266-027)

Assignment A

Introduction – Information for Candidates

About this document

This assignment comprises all of the assessment for Level 2 Working with computerised accounting software (7266-027).

Health and safety

You are responsible for maintaining the safety of others as well as your own. You are asked to work safely at all times.

You will **not** be allowed to continue with an assignment if you compromise any of the Health and Safety requirements.

Time allowance

The recommended time allowance for this assignment is **two hours**.

Level 2 Working with computerised accounting software (7266-027)
Candidate instructions

Time allowance: Two hours

Assignment set up:

This assignment is broken down into 10 parts:

1. A brief scenario.
2. Task A requires candidates to log onto and prepare a PC and prepare a printer and stationery
3. Task B requires candidates to input customer and supplier invoices and credit notes.
4. Task C requires candidates to produce sales and purchase reports
5. Task D requires candidates to enter customer receipts and supplier payments
6. Task E requires candidates to produce customer and supplier reports
7. Task F requires candidates to enter transactions into the nominal ledger
8. Task G requires candidates to produce reports and transaction details
9. Task H requires candidates to use audit tools and management controls
10. Task I requires candidates to back up data, log off and close down the computer

Scenario

It is early June.

You have recently found employment with Cellini Arts Ltd, a small specialised art dealer. You are responsible for the accounting functions of the company which sells art to individuals, large corporate and stately homes. You are also responsible for requesting any stationery supplies and consumables.

New accounting software has been purchased and installed. It is your role to use the software to record all transactions and produce reports when required.

The software has been installed and some accounting policies, including coding structures have been defined within the company. Some accounts for the nominal ledger, customers and suppliers have been set up. The financial year started on 1st May and data relating to May transactions has already been entered onto the system.

There are a number of transactions to enter on the system. Your manager has defined the tasks which he sees as a priority. He has marked these tasks as tasks A to J and he would like you to try to complete these tasks.

At the end of your assignment an additional 5 minutes will be allocated to ensure that you have time to complete Task I.

The tasks set by your line manager are as follows:-

Task A - Log onto and prepare a PC and prepare a printer and stationery

1 Power up the computer.

2 Access the accountancy software package.

3 Log on using the password provided.

4 Check that there is a printer available for use.

5 Check that suitable stationery is available for use with the software.

6 Ensure that you have a suitable storage medium for backup purposes.

7 Your line manager has sent to you two memos asking for information.

The memos are shown over the page. Write a brief response to each of his queries in the response area.

Note: Throughout this assignment you will be asked to answer questions and to enter current values from the accounts. The answers and values can be entered onto this question paper or, if provided by the centre, an answer sheet. Ensure that your name is written or typed onto any documents forming the answers to this assignment.

MEMO 1

I'm meeting a printer tomorrow. Can you please list for me two or three main types of pre-printed stationery that we use for the accounting system?
RW

RESPONSE

MEMO 2

I have to meet the auditors next week. Could you please outline the main risks to and the security features found on accounting systems?
RW

RESPONSE

Continued over…

Task B - Input customer and supplier invoices and credit notes

1 You receive the memo below. Create accounts for the new customers using suitable customer codes.

You should use the existing scheme which uses the first three characters of the customers' name followed by 001 or, if that code is already in use the next available number in the series (001…002…003 etc).

MEMO 3

New Customer

Could you please set up a record for the new customers whose details are set out below.
RW

Snowsmound Manor Snowsmound, Broadway, Worcestershire WR11 6KT Contact Gordon Sutherland Phone 01386 843 445 Fax Phone 01386 843 455 enquiries@snowsmound.co.uk	British Gas Plc Energy House Birdlip Business Park Gloucester GL4 5TD Contact Nigel Melville Phone 0870 257 2925 Fax 0870 257 2920 nmelville@bg.com

2 You receive the following memo. Create a new nominal ledger code.

- Sales codes are set between 4000 to 4099 inclusive.
- Purchase codes within the range 5000 to 5099 inclusive.

Use the most suitable new code for this account.

MEMO 4

New Account
We need to set up an account for Sales of Repair Services. Could you please set up the appropriate account?
RW

Continued over…

3 Enter the following batch of four customer invoices.

Customer Invoice – 1

CELLINI ARTS LIMITED

45 Manet Street
London
SW1 5TH
0181 5672087

Attention Gordon Sutherland
Snowsmound Manor
Broadway
Worcestershire
WE3 7GT

No 2020

6 June 20XX

Invoice

	VAT Rate	*Net price*
19th Century Mirror	17.5%	£964.00
		£964.00
VAT		£168.70
VAT no GB 5567945		£1,132.70

Please make remittances payable to Cellini Arts Limited
Bank account HSBC, Broad St. London. Account no 71867785, Sort code 40-38-12

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over...

Customer Invoice – 2

CELLINI ARTS LIMITED

45 Manet Street
London
SW15TH
01815672087

Attention Nigel Melville
British Gas Plc
Energy House
Birdlip Business Park
Gloucester
GL4 5TD

No 2021

10 June 20XX

Invoice

	VAT Rate	***Net price***
17th Century Oil Painting	17.5%	£40,851.06
		£40,851.06
VAT		£7,148.94
VAT no GB 5567945		£48,000.00

Please make remittances payable to Cellini Arts Limited
Bank account HSBC, Broad St. London. Account no 71867785, Sort code 40-38-12

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over…

Customer Invoice – 3

CELLINI ARTS LIMITED

45 Manet Street
London

SW1 5TH

0181 5672087

Attention Jim Turner
National Trust
Poleford Lacey House
Poleford Lacey
Dawlish EX7 5TT

No 2022

15 June 20XX

Invoice

	VAT Rate	***Net price***
Repair Work on Bronze Sculpture	17.5%	£14,200.00
		£14,200.00
VAT		£2,485.00
VAT no GB 5567945		£16,685.00

Please make remittances payable to Cellini Arts Limited
Bank account HSBC, Broad St. London. Account no 71867785, Sort code 40-38-12

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over…

Customer Invoice – 4

Cellini Arts Limited

45 Manet Street
London
SW1 5TH
0181 5672087

Attention John Constable
Newbury District Arts Society
Council Offices
Canal Street
Newbury Berks
RG58YY

No 2023

23 June 20XX

Invoice

	VAT Rate	***Net price***
Victorian Books	Zero	£780.00
		£780.00
VAT		£0.00
VAT no GB 5567945		£780.00

Please make remittances payable to Cellini Arts Limited
Bank account HSBC, Broad St. London. Account no 71867785, Sort code 40-38-12

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over…

4 You receive a memo advising of new suppliers.

Create accounts for the new suppliers using suitable supplier codes. You should use the existing format which uses the first three characters of the suppliers' name followed by 001 or, if that code is already in use the next available number in the series (001…002…003 etc).

MEMO 5
New Suppliers
We have two new suppliers this month. Could you please add them to the records?
RW

Name	***Address***	***Contact***	***Phone & Fax No***	***e-mail address***
Rowney's Paints	Humbrol Works Scunthorpe Road Grimsby Lincolnshire LN9 5LR	Tracy Eminent	01472-361 985 01472-361 980	t.eminent@humbrol.com
Fine Art Supplies Limited	23 Manet Street London SW1 5TK	Brian Swell	071 958 4522 071 958 4522	bs@fas.co.uk

Continued over…

5 Enter the following batch of 5 supplier invoices.

Supplier Invoice – 1

Century Galleries

Sonning Eye
Sonning,
Berkshire
RG29 6OS
0118 963574

Attn George Gilbert
Cellini Arts Ltd
45 Manet Street
London
SW1 5TH

No 50458

6 June 20XX

Invoice

	Net price
17th Century Oil Painting	£22,465.87
	£22,465.87
VAT at 17.5%	£3,931.53
	£26,397.40

VAT no GB 5567945
Incorporated in England Company No 34445443
Directors John Paper, Jane Piper

Continued over...

Supplier Invoice – 2

Henry Moore Galleries

Gallery Street

Bristol

BS4 9WK

0375 389 8584

Cellini Arts Ltd
45 Manet Street
London
SW1 5TH

No 9472

9 June 20XX

Invoice

	Net price
Female Sculpture	£2,531.92
Equine Sculpture in Bronze	£2,978.72
	£5,510.64
VAT at 17.5%	£964.36
	£6,475.00

VAT no GB 245 789 08
Incorporated in England Company No 256745443
Directors J Trevelyan, JJ Trevelyan

Continued over...

Supplier Invoice – 3

FINE ART SUPPLIES LIMITED

23 Manet Street
London
SW3B 4TS

071 958 4522

Attn George Gilbert
Cellini Arts Ltd
45 Manet Street
London
SW1 5TH

No CEL34529

11 June 20XX

Invoice

	VAT Rate	***Net price***
18th Century Furniture - Bookcase	17.5%	£750.00
Georgian Mirror	17.5%	£340.00
		£1,090.00
VAT		£190.75
		£1,280.75

VAT no GB26578

Incorporated in England Company No 54345443
Directors Brian Swell, Francesca Swell

Continued over…

Supplier Invoice – 4

FINE ART SUPPLIES LIMITED

23 Manet Street
London
SW3B 4TS

071 958 4522

Attn George Gilbert
Cellini Arts Ltd
45 Manet Street
London
SW1 5TH

No CEL 34545

15 June 20XX

Invoice

	VAT Rate	*Net price*
Books and Manuscripts	zero	£1,090.00
		£1,090.00
VAT		
		£1,090.00

VAT no GB26578

Incorporated in England Company No 54345443
Directors Brian Swell, Francesca Swell

Continued over…

Supplier Invoice – 5

Rowney's Paints

Humbrol Works
Scunthorpe Road
Grimsby
Lincolnshire
HL49 5WN
01472-361 985

Cellini Arts Ltd
45 Manet Street
London
SW1 5TH

No 8364

18 June 20XX

Invoice

	VAT Rate	***Net price***
Acrylic Paints for repair of paintings	17.5%	£562.45
		£562.45
VAT		£98.43
		£660.88

VAT no GB225834
Incorporated in England Company No 54345443
Directors Tracy Eminent, Ronald Sloane

Continued over…

6 Enter the following two sales credit notes and one supplier credit note.

Customer Credit Note – 1

CELLINI ARTS LIMITED

45 Manet Street
London
SW1 5TH
0181 5672087

Attention Jim Turner
National Trust
Poleford Lacey House
Poleford Lacey
Dawlish EX7 5TT

No CR4332

20 June 20XX

Credit Note

	VAT Rate	*Net price*
Surface Damage to Bronze Sculpture	17.5%	£530.00
		£530.00
VAT		£92.75
VAT no GB 5567945		£622.75

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over...

Customer Credit Note – 2

CELLINI ARTS LIMITED

45 Manet Street
London
SW1 5TH
0181 5672087

Attention Gordon Sutherland
Snowsmound Manor
Broadway
Worcestershire
WE3 7GT

No CR4333

25 June 20XX

Credit Note

	VAT Rate	*Net price*
Damage in transit to mirror	17.5%	£25.00
		£25.00
VAT		£4.38
VAT no GB 5567945		£29.38

Incorporated in England Company No 40704453
Directors Gilbert George, Damien Heath.

Continued over...

Supplier Credit Note – 1

Century Galleries

Sonning Eye
Sonning,
Berkshire
RG29 6OS
0118 963574

Cellini Arts
45 Manet Street
London
SW1 5TH

No CN29659

19 June 20XX

Credit Note

	Net price
Overcharge on painting	£2,200.00
	£2,200.00
VAT at 17.5%	£385.00
	£2,585.00

VAT no GB 5567945
Incorporated in England Company No 34445443
Directors John Paper, Jane Piper

Continued over...

Task C - Produce sales and purchase reports

1 Your boss has asked for a report of the total value of transactions that you have entered.

Run the day book reports and enter the totals of the transactions in each category in the form below.

	Net	***VAT***	***Gross***
Total Sales Invoices			
Total Sales Credit Notes			
Total Purchase Invoices			
Total Purchase Credit Notes			

2 Run a report showing a list of all the invoices outstanding to suppliers. Print the report and write your name on it.

Mark it as **Printout 1**.

Continued over...

Task D - Enter customer receipts and supplier payments

1 Three payments have been received. The remittance advices are shown below.

Enter the receipts and allocate the payments to customer invoices where appropriate.

Customer remittance – 1

Remittance Advice

We attach a cheque in settlement of your account as follows:-

Payment No	*Date*	*Details*	*Amount*
C3546	20-Jun-XX	Settles Inv 2021	48,000.00

Newbury District Arts Society
Council Offices, Canal Street, Newbury, Berks, RG58YY

Phone 0118 465 9111 Fax0118 465 9111

Customer remittance – 2

Remittance Advice

We attach a cheque in settlement of your account as follows:-

Payment No	*Date*	*Details*	*Amount*
8456	25-Jun-XX	Settles inv 2022 and CR4332	16,062.25

National Trust
Poleford Lacey House
Poleford Lacey Dawlish EX7 5TT

Phone 0531 444 1111
Fax 0531 444 8888

Customer remittance – 3

Remittance Advice

We attach a cheque in settlement of your account as follows:-

Payment No	*Date*	*Details*	*Amount*
Cell2306	25-Jun-XX	Part Payment of Inv 2023	500.00

Newbury District Arts Society
Council Offices, Canal Street, Newbury, Berks, RG58YY

Phone 0118 465 9111 Fax0118 465 9111

Continued over…

2 Using your report of outstanding invoices. You have been asked to arrange payments to the following suppliers for the relevant invoices.

Enter the supplier payments allocating the payments where appropriate.

Print remittance advices for these payments. Write your name on each remittance advice printed.

Payment No	***Date***	***Supplier Name***	***Details***	***Amount***
34034	30-Jun	Fine Art Suppliers Ltd	34529CEL & 34545CEL	2,370.75
34035	28-Jun	Henry Moore Galleries	Inv 9472	6,475.00*
34036	30-Jun	Century Galleries	On A/c	20,000.00

* **Note**: Due to the rounding values set in your software, the amounts owed may vary very slightly (i.e. £6475.01). If this occurs the payment amount should equal the invoice amounts.

Task E - Produce customer and supplier reports

1 Run suitable reports and fill in the amounts in the table below.

	Total Amount
Total amount owed by customers	
Total amount owed to suppliers	

2 Produce a suitable report for internal use showing all transactions to date with Century Galleries. Print the report and add your name and **Printout 2**.

3 Print a statement of account showing all transactions for the customer Snowsmound Manor.

Add your name to the bottom on name it **Printout3**.

Continued over...

Task F - Enter transactions into the nominal ledger

1 The following payments have been made to suppliers who are not to be included to the purchase ledger as suppliers.

Record the payments in the cash/bank records for direct posting to the nominal ledger.

Cheque No	***Date***	***Supplier Name***	***Description***	***Net Amount***	***Tax***	***Gross Amount***
34032	20 June	Goldstein and Silver	Accountancy	750.00	131.25	881.25
34033	23 June	Satchell Brothers	Advertising	55.00	9.63	64.63
34037	30 June	Doolittle Allday and Knight	Legal Fees	356.65	62.41	419.06

2 The company has received a bank loan of **£135,000**.

Record the receipt of the money into the current account and the new loan in the bank loan account.

Date the transaction **25 June** and give it the reference **ACMEBANK1**.

3 Make a note/memo on the nominal account for legal fees as follows:

'Ongoing dispute with Fine Art Supplies'.

Task G - Produce reports and transaction details

1 Run a report for all sales invoices from 01-Jun-20XX to 15-Jun-20XX inclusive and write the net sales total in the box below.

Total net sales on invoices issued from 1 June to 15 June	***£***

2 Run a report from the Nominal Ledger showing all transactions on purchase accounts from 5000 to 5099 inclusive. Print the report. Add your name and **Printout4**.

Continued over...

3 Your boss has asked you to review the Profit and Loss account and Balance Sheet reports as at 30 June. Enter the values required on the form below and export the Profit and Loss report only for the period to a spreadsheet application and save it as **Task G3**

	Net	***Amount***
Profit and Loss Account	Total Sales Revenue to Date	
	Net profit(loss)	
Balance Sheet	Current Assets	
	Current Liabilities	

4 Run a report to show how much VAT is due for the month of June and complete the details requested in the box below.

Net VAT to be paid to Customs or reclaimed by you'	**£**

Task H - Use audit tools and management controls

1 Print a first payment reminder for Newbury District Arts Society. Write your name on this report and mark it **Printout5**.

2 Print a trial Balance at 30-Jun-20XX. Write your name on this report and mark it as **Printout6**.

3 Print out a nominal ledger history report for all transactions. Write your name on this report and mark it **Printout7**.

Task I – Back up

1 Back up your data onto a suitable storage medium. Name the backup file **compaccountsXX** where XX are your initials eg **compaccountsCG**.

2 Close the accounting package and shut down your machine.

When you have finished working:

- Sign each document above your name and label all removable storage media with your name.
- Hand all paperwork and removable storage media to your assessor.

If the assignment is taken over more than one period, all paperwork and removable media must be returned to the test supervisor at the end of each sitting.

End of Assignment

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