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

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Assignment guide for Candidates

Assignment B

(This assignment can be used as evidence of achievement of 7574-217 Computer Accounting Software)

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Contents

Unit 027 Working with computerised accounting software – Level 2

Introduction – Information for Candidates	2
Candidate instructions	3

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

Assignment B

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 asked to consider the importance of safe working practices at all times.

You are responsible for maintaining the safety of others as well as your own. Anyone behaving in an unsafe fashion will be stopped and a suitable warning given. You will **not** be allowed to continue with an assignment if you compromise any of the Health and Safety requirements. This may seem rather strict but, apart from the potentially unpleasant consequences, you must acquire the habits required for the workplace.

Time allowance

The recommended time allowance for this assignment is **2 hours**.

Candidates are advised to read all instructions carefully before starting work and to check with your assessor, if necessary, to ensure that you have fully understood what is required.

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

Time allowance: 2 hours

Assignment set up:

This assignment is broken down into 11 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 Contains is an additional task which should be completed if time permits*
11. Task J requires candidates to log off and close down the computer

Note: It is important that you complete task J irrespective of whether other tasks are complete. Five minutes before the completion time for this examination, candidates who have not already done so are required to are required to start work on task J

*Task I is intended to enable exceptional candidates to demonstrate their ability and to achieve a higher grade.

Candidates who do not complete Task I, but complete the remaining tasks correctly and accurately can achieve a pass or credit or distinction grade for this assessment.

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 H and he would like you to try to complete these tasks. If, when you have completed these tasks accurately, you still have time, he would like you to complete task I.

When you have completed as much work as you are able, you must complete task J which involves shutting down the machine and taking a backup of your work.

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

Task A

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.

MEMO 1

I'm meeting our insurers tomorrow. Can you brief me please on the ways in which we can back up and store our accounts data to avoid loss through carelessness or accident.
RW

RESPONSE

MEMO 2
I'd like to look at the possibility of improving the presentation of the documents that we send to customers like remittance advices and debt chasing letters. Can you explain in a few lines if this is possible in our accounting system and what it involves? Also can we also produce our own special reports to supplement the one we presently get from the system?
RW

RESPONSE

Continued over…

Task B

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

The Lowther Centre Pier 10, Swinton Quays Manchester M56 3BY Contact Lucien Froud Phone 0161 885 2006 Fax 0161 885 2000 lfroud@swinton.gov.uk	South of Scotland Electricity Company 12 Grosvenor Place, Battersea, London SW3X 7DN, Contact John Brown 020 7253 1204 020 7253 1209 brown@ssec.co.uk

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 Oriental Art and Sale of Repair Services. Could you please set up the appropriate accounts?
RW

Continued over…

3 Enter the following batch of customer invoices.

Customer Invoice – 1

CELLINI ARTS LIMITED

45 Manet Street
London
SW1 5TH
0181 5672087

Attention Lucien Froud
The Lowther Centre
Pier 10, Swinton Quays
Manchester
M56 3BY

No 3221

6 June 20XX

Invoice

	VAT Rate	*Net price*
20th Century Paintings	17.5%	£3,594.00
		£3,594.00
VAT		£628.95
VAT no GB 5567945		£4,222.95

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 John Brown
South of Scotland Electricity Company
12 Grosvenor Place,
Battersea London,
SW3X 7DN

No 3222

7 June 20XX

Invoice

	VAT Rate	*Net price*
Oriental Japanese Print	17.5%	£638.30
		£638.30
VAT		£111.70
VAT no GB 5567945		£750.00

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 3223

14 June 20XX

Invoice

	VAT Rate	*Net price*
Regency Mirror	17.5%	£2,500.00
		£2,500.00
VAT		£437.50
VAT no GB 5567945		£2,937.50

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 3224

23 June 20XX

Invoice

	VAT Rate	*Net price*
Victorian Books	Zero	£650.00
Sculptured Figure	17.50%	£1,250.00
		£1,900.00
VAT		£218.75
VAT no GB 5567945		£2,118.75

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.

Customer Invoice – 5

CELLINI ARTS LIMITED

45 Manet Street
London
SW1 5TH
0181 5672087

Attention John Brown
South of Scotland Electricity Company
12 Grosvenor Place,
Battersea London,
SW3X 7DN

No 3225

29 June 20XX

Invoice

	VAT Rate	***Net price***
Chippendale Chairs	17.50%	£4,750.00
		£4,750.00
VAT		£831.25
VAT no GB 5567945		£5,581.25

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***
Artwork Crayons Limited	23 Peach Street Windsor Berkshire SL4 3BL	David Hackney	01753 843566 01753 843500	hack@artcrayon.com
Modern Art Supplies	95 Kings Road Chelsea London SW3 6UV	Johnson Pollack	020 7559 1200 020 7559 1200	jp@mas.co.uk

5 Enter the following batch of supplier invoices.

Continued over… … …

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 4062

7 June 20XX

Invoice

	Net price
20th Century Oil Painting	£2,500.00
	£2,500.00
VAT at 17.5%	£437.50
	£2,937.50

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 8642

10 June 20XX

Invoice

	Net price
Female Sculpture	£851.06
	£851.06
VAT at 17.5%	£148.94
	£1,000.00

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

Continued over...

Supplier Invoice – 3

MODERN ART SUPPLIES

95 Kings Road
Chelsea
London
SW3 6UV

020 7559 1200

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

No CEL933

12 June 20XX

Invoice

	VAT Rate	*Net price*
Mirrors	17.5%	£675.00
Chairs	17.5%	£2,500.00
		£3,175.00
VAT		£555.63
		£3,730.63

VAT no GB26578

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

Continued over…

Supplier Invoice – 4

Artwork Crayons Limited

23 Peach Street
Windsor
Berkshire

01753 843566

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

No 8364

18 June 20XX

Invoice

	VAT Rate	***Net price***
Acrylic Crayons for Repair of Paintings	17.5%	£245.00
		£245.00
VAT		£42.88
		£287.88

VAT no GB26578

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

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 CR34

23 June 20XX

Credit Note

	VAT Rate	*Net price*
Surface Damage to Regency Mirror	17.5%	£460.00
		£460.00
VAT		£80.50
VAT no GB 5567945		£540.50

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 Lucien Froud
The Lowther Centre
Pier 10, Swinton Quays
Manchester
M56 3BY

No CR35

28 June 20XX

Credit Note

	VAT Rate	*Net price*
Overcharge on painting	17.5%	£294.00
		£294.00
VAT		£51.45
VAT no GB 5567945		£345.45

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 CN4062

22 June 20XX

Credit Note

	Net price
Frame replacement on painting	£385.00
	£385.00
VAT at 17.5%	£67.38
	£452.38

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

Continued over...

Task C

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 **Printout1**.

Continued over...

Task D

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*
Cell0706	29/06/20xx	Part Payment of Inv 3224	1,500.00

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	25/06/20xx	Settles inv 3223 and CR34	2,397.00

National Trust
Poleford Lacey House
Poleford Lacey Dawlish EX7 5TT

Phone 0531 444 1111
Fax 0531 444 8888

Customer remittance – 3

Remittance Advice

We have today transferred into your bank account the amounts detailed below

Payment No	*Date*	*Details*	*Amount*
C36437	15/06/20xx	Settles Inv 3222	750.00

South of Scotland Electricity Company
12 Grosvenor Place,, Battersea London,, SW3X 7DN
Phone 020 7253 1204 Fax 020 7253 1209

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. Write your name on this report and mark it as **Printout 2**.

Payment No	***Date***	***Supplier Name***	***Details***	***Amount***
34023	20-Jun	Modern Art Supplies Ltd	CEL933	3730.63
34024	20-Jun	Henry Moore Galleries	Part Inv 8642	500.00
34028	30-Jun	Century Galleries	On A/c	2,500.00

* **Note**: Due to the rounding values set in your software, the amounts owed may vary very slightly (eg £522.87). If this occurs any full payment amount should equal the invoice amounts shown.

Task E

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 **Printout3**.

3 Print a statement of account showing all transactions for the customer The Lowther Centre. Add your name to the bottom on name it **Printout4**.

Continued over...

Task F

1 You have been asked to make a correction either by journal entry or reversal and re-input.

MEMO

Incorrect Code on Sales invoice 2017

I've just looked through the June sales and found that an invoice was wrongly coded. The details are below

Invoice No	*Date*	*Customer Name*	*Details*	*Net*	*VAT*	*Gross*
3222	7 June	South of Scotland Electricity Company	Oriental Japanese Print	638.30	111.70	750.00

This invoice was coded to Sales of Oriental Art and it should have been coded to Sale of Repair Services. In the work you do in June, will you please correct the error.

Thanks
RW

2 The following payments have been made to casual or special suppliers who are not to be included in the purchase ledger as suppliers.

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

Cheque No	*Date*	*Supplier Name*	*Description*	*Net Amount*	*Tax*	*Gross Amount*
34025	23 June	Owen West	Accountancy	250.00	43.75	293.75
34026	23 June	WPP	Advertising	445.00	77.88	522.88
34027	29 June	Bonner and Clyde	Legal Fees	265.00	46.38	311.38

3 The company has received a bank loan of **£85,000**.

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

Date the transaction **27 June** and give it the reference **Natwest1**

4 Make a note on the nominal account for legal fees as follows '**Ongoing dispute with Modern Art Supplies**'. Print out a copy of this note and mark it **Printout 5**.

Task G

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 Print an extract from the nominal ledger showing all the transactions on the sales accounts (numbered 4000 to 4099). Write your name on this report and mark it **Printout 6**.

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

1 Prepare a monthly statement for the National Trust. Write your name on this report and mark it **Printout 7.**

2 Print a first payment reminder for Newbury District Arts Society. Write your name on this report and mark it **Printout 8**.

3 Print a trial Balance at 30-Jun-20XX. Write your name on this report and mark it as **Printout 9**.

4 Print out a nominal ledger history report for all transactions excluding activities where no

transactions took place. Write your name on this report and mark it **Printout 10**.

Task I

Candidates who do not complete this task but complete the remaining tasks accurately can achieve a pass or credit or distinction grade for this assessment. This task is intended to enable exceptional candidates to demonstrate their ability and to achieve a higher grade.

1 Back up your data onto a suitable medium. Name the backup file '**compaccounts**' followed by your initials (eg **compaccountsJB**)

2 Close the accounting package and shut down your machine.

3 Hand this assignment, your printouts and any removable storage media to the assessor at the close of this assignment.

MEMO

If we expand and get in someone to help you with the accounting can you share files on a network system. How does a network operate and what controls have to be in place. Can you please explain the outline to me to me in a few lines giving at least 6 advantages or disadvantages?

RW

RESPONSE

4 Produce an audit trail of all the sales ledger transactions taking place in June. Write your name on this report and mark it **Printout 13**

5 Produce reports analysing all the transactions that are included in the VAT return for June. Write your name on this report and mark it **Printout 14.**

End of assignment

Note

- At the conclusion of this assignment, hand all paperwork and removable media to the test supervisor.
- Ensure that your name is on the removable media and all documentation.
- If the assignment is taken over more than one period, all removable media and paperwork must be returned to the test supervisor at the end of each sitting

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