

IAB LEVEL 2 AWARD IN MANUAL BOOKKEEPING (QCF)

Qualification Accreditation Number 601/0480/6

(Accreditation review date 31st December 2016)

QUALIFICATION SPECIFICATION

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Level 2 Award in Manual Bookkeeping (QCF)

1 Introduction

This qualification is part of the Qualification and Credit Framework (QCF), which became fully operational in September 2010. Qualifications within the framework are made up of units and each unit is given a credit value, where one credit represents 10 hours of learning time. The title of every qualification within the new framework will contain details of the size (award/certificate/diploma), level of difficulty (Entry to level 8) and general content of the qualification.

Learners studying without being attached to an IAB accredited training centre, should contact the IAB for further information.

2 Aims

In summary, the IAB Level 2 Award in Manual Bookkeeping aims to:

- 1 Act as an introduction to the underpinning knowledge of financial record keeping and accounts preparation within the scope of double-entry bookkeeping, and giving the candidate the necessary skills to record financial transactions in a double-entry, manual bookkeeping system.
- 2 Give candidates the necessary underpinning knowledge and skills to assess their own competence and understanding in carrying out a range of day-to-day bookkeeping routines and activities using a double-entry manual bookkeeping system. The underpinning knowledge gained from this qualification will enhance a candidates understanding of a computerised bookkeeping system based on double-entry. The activities will include entry of business transactions into the double-entry ledger system, and further routine bookkeeping tasks completed in a manual environment.
- 3 Give candidates the necessary underpinning knowledge and skills to assess their understanding of the importance of maintaining accuracy, security and integrity in performing any bookkeeping tasks using a double-entry manual bookkeeping system.
- 4 Enable candidate to progress in their learning to further develop their knowledge, understanding and skills of dealing with financial transactions by:
 - Undertaking further studies of bookkeeping and accounting routines and procedures at Level 3
 - Widening their skills at this level by progressing to the IAB Level 2 Award in Computerised Bookkeeping and/or the IAB L2 Computerised Accounting for Business.

3 Links to National Occupational Standards

Direct relationship based on NOS for Accountancy and Finance (2012) FA-1, FA-2 and FA-3

4 Target groups

The IAB Level 2 Award in Manual Bookkeeping is aimed at individuals who wish to further their studies of manual bookkeeping and gain a qualification at Level 2 of the National Framework having completed studies of the IAB Level 1 Award in Bookkeeping. It could also be used by those candidates who have some practical knowledge and skills and wish to gain an accredited qualification in this subject.

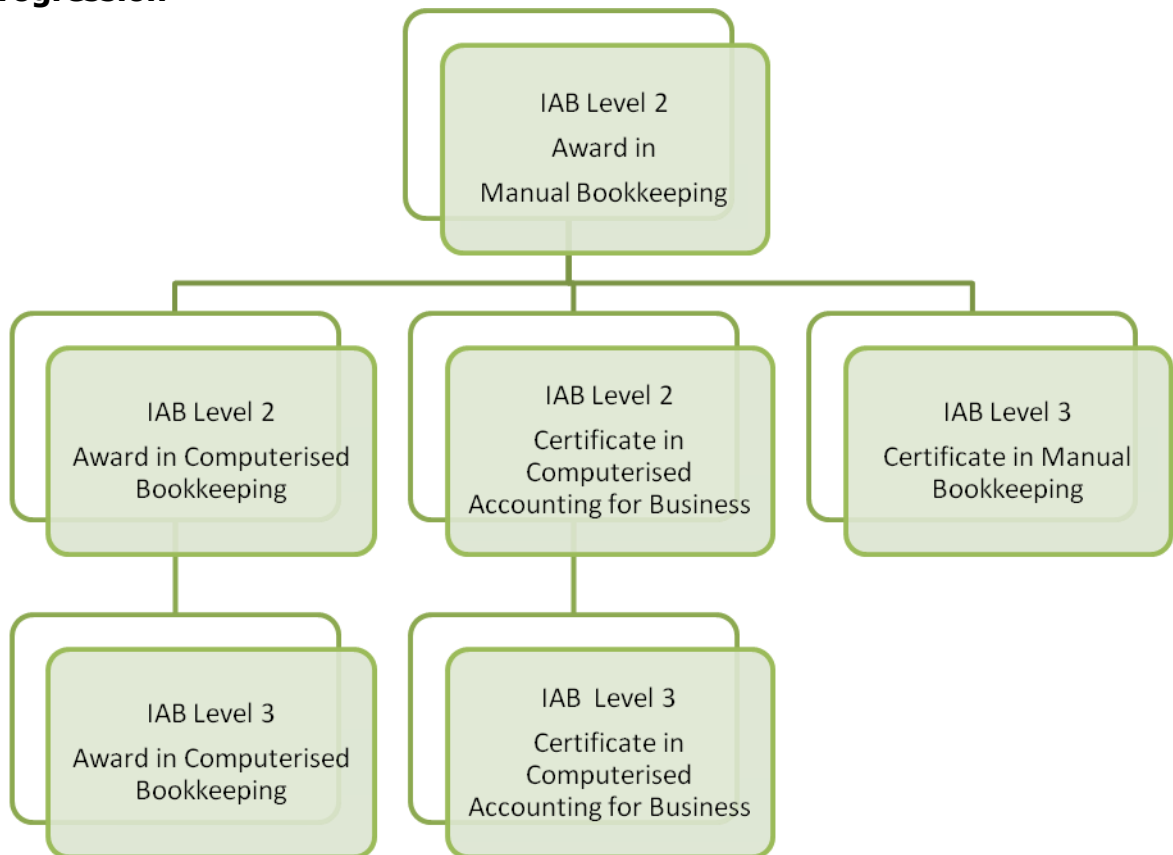
5 Statement of level

This is a level 2 qualification as defined within the regulations of the Qualification and Credit Framework.

6 Entry requirements

There are no formal entry requirements for the IAB Level 2 Award in Manual Bookkeeping (QCF). However, it is recommended that before commencing a course leading to this qualification, the prospective learner will already have basic skills in numeracy and literacy and some understanding of basic book-keeping practices and terminology. The successful completion of the IAB Level 1 Award in Book-keeping or the IAB Level 1 Award in Manual Bookkeeping would be ideal qualifications to allow progression to the Level 2 Award in Manual Bookkeeping (QCF).

7 Progression



8 Qualification Structure

To achieve this qualification, all the **mandatory** units consisting of 12 credits must be achieved. The accreditation number, level and credit value of each unit is as follows:

Mandatory units

Principles of VAT – A/505/1094 (level 3 – 2 credits)

Preparing and recording financial documentation – H/505/1106 (level 2 – 2 credits)

Maintaining petty cash records – R/505/1120 (level 1 – 1 credit)*

Maintaining and reconciling the cash book – D/505/1122 (level 2 – 2 credits)

Maintaining the journal – H/505/1123 (level 2 – 2 credits)

Processing ledger transactions and extracting a trial balance – M/505/1125 (level 2 – 2 credits)

Maintaining control accounts – K/505/1124 (level 2 – 1 credit)

* If already covered in level 1 then no need to take the assessment

9 Assessment and Grading

With the introduction of the QCF the IAB introduced additional assessments to supplement the standard form of examination. The additional assessments can consist of a combination of knowledge tests, assignments or a project. In order to successfully complete the qualification all the modes of assessment listed in the table below must be successfully completed.

For this qualification the IAB will provide all assessment material including knowledge tests, assignments and examination. For assessments other than the examination it is expected that the accredited centre will mark the original scripts with a 20% sample being forwarded to the IAB for external moderation. Front sheets will be supplied with answer books which will allow the recording of the marks for the assessment and allow for details of internal verification and external moderation. IAB examinations will be offered as standard sittings in January and June, or on an 'on demand' basis. All 'on demand' sittings are subject to a minimum period of notice.

Internal verification of knowledge tests and assignments

The IAB needs to be assured that at least 25% of Centre based assessments have been internally moderated. A box to be signed by the Internal Verifier is provided for this purpose on the front sheet of the assessment answer booklet. In any batch of assignments forwarded for external moderation the IAB would expect to see some evidence of internal verification.

External moderation of knowledge tests and assignments

It is the responsibility of each centre to choose a cross section of scripts for moderation by the IAB. The IAB would expect to see a high proportion of marginal passes together with scripts that are good passes. If the centre has any doubt about which scripts to send for external moderation they should contact the Education Department of the IAB.

The units for this qualification are assessed through the following methods:

Unit	Assessment
Mandatory	
Principles of VAT	Knowledge test
Preparing and recording financial documentation	Assignment 1
Maintaining and reconciling the cash book	Assignment 2
Maintaining petty cash records*	Assignment 3
Maintaining the journal	End examination
Processing ledger transactions and extracting a trial balance	
Maintain control accounts	

* If already successfully completed in level 1 then no need to take the assessment

To successfully complete the qualification the candidate must pass each of the above **mandatory** elements of assessment. Units are graded as Pass or Fail and the minimum levels of achievement for each unit, within each mode of assessment, will be set as follows:

Knowledge tests	70%
Assignment	70%
Examination	70%

The qualification is not graded and therefore on successful completion the learner will receive a Pass in the Level 2 Award in Manual Bookkeeping (QCF) 601/0480/6.

10 Certification

On successful completion of all the mandatory units listed above, the learner will receive a certificate to confirm the achievement of the Level 2 Award in Manual Bookkeeping (QCF). The certificate will include the full name and accreditation number of the qualification and the grade awarded.

Learners may request a certificate for the successful completion of each unit of the qualification on payment of a unit certificate fee. The certificate will include the full title and accreditation number of the unit, the credit value and level of the unit.

The award of credit and the successful completion of the accredited qualification will be transferred to an individual's Personal Learner Record (if applicable).

11 Reasonable Adjustments and Special Consideration policy and procedure

Please refer to the IAB web site www.iab.org.uk for a copy of this policy and procedure or contact the Education Department of the IAB.

12 Enquiries and Appeals procedure

Please refer to the IAB web site www.iab.org.uk for a copy of this procedure or contact the Education Department of the IAB.

13 Units with Learning Outcomes and Assessment Criteria

Mandatory

PRINCIPLES OF VAT – A5051094

Credit value: 2 Level: 3

Learning Outcomes	Assessment criteria
1 Understand current VAT regulations	<p>1.1 Identify sources of information on VAT</p> <p>1.2 Explain the relationship between the organisation and Her Majesty's Revenue and Customs (HMRC)</p> <p>1.3 Explain the VAT registration requirements</p> <p>1.4 Identify the information that must be included on business documentation of VAT registered businesses</p> <p>1.5 Recognise different types of inputs and outputs</p> <p>1.6 Identify how different types of supply are classified for VAT purposes:</p> <ul style="list-style-type: none">• standard supplies• exempt supplies• zero rated supplies• imports• exports <p>1.7 Explain the requirements and the frequency of reporting for the following VAT schemes:</p> <ul style="list-style-type: none">• annual accounting• cash accounting• flat rate scheme• standard scheme <p>1.8 Recognise the implications and penalties for the organisation resulting from failure to abide by VAT regulations including late submission of VAT returns</p>

PREPARING AND RECORDING FINANCIAL DOCUMENTATION – H5051106

Credit value: 2 Level : 2

Learning Outcomes	Assessment criteria
1 Prepare the financial documents to be sent to credit customers	<p>1.1 Prepare accurate sales invoices and credit notes from source documents in respect of goods and services supplied in accordance with organisational and VAT scheme requirements</p> <p>1.2 Apply trade, bulk and settlement discounts, and calculate the VAT to be added to the net goods value on an invoice or credit note</p> <p>1.3 Produce statements of account for despatch to customers</p>
2 Enter sales invoices and credit notes into the appropriate books of prime entry	<p>2.1 Correctly code sales invoices and credit notes</p> <p>2.2 Enter sales invoices and credit notes into a sales day book and sales returns day book</p> <p>2.3 Code the day books</p> <p>2.4 Make transfers from a sales day book and sales returns day book into the double entry bookkeeping system</p>
3 Process payments from customers	<p>3.1 Check the accuracy and validity of receipts from credit customers against relevant supporting information</p> <p>3.2 Enter payments received from customers, and settlement discounts allowed to them, into appropriate ledger accounts</p>
4 Process suppliers' invoices and credit notes	<p>4.1 Check the accuracy of supplier invoices and credit notes against purchase orders, goods received and delivery notes</p> <p>4.2 Check that price extensions on invoices and credit notes received from suppliers are correct, that agreed trade, bulk and settlement discounts have been applied and that VAT has been correctly calculated</p>
5 Enter supplier invoices and credit notes into the appropriate books of prime entry	<p>5.1 Enter supplier invoices and credit notes into a purchase day book and purchase returns day book</p> <p>5.2 Code the day books</p> <p>5.3 Make transfers from a purchase day book and purchase returns day book into the double entry bookkeeping system</p>
6 Prepare payments to suppliers	<p>6.1 Reconcile supplier statements against their personal accounts in the purchase ledger</p> <p>6.2 Calculate payments due to suppliers</p> <p>6.3 Make payment to suppliers ensuring payments are on time</p>

	<p>an using appropriate payment methods</p> <p>6.4 Prepare a remittance advice to support payments made to suppliers</p>
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MAINTAINING PETTY CASH RECORDS – R5051120

Credit value: 1 Level 1

Learning Outcomes	Assessment criteria
1 Complete a petty cash voucher	<p>1.1 Prepare petty cash vouchers</p> <p>1.2 Calculate the VAT element of a VAT inclusive petty cash payment</p>
2 Maintain an analysed petty cash book	<p>2.1 List petty cash vouchers into an analysed petty cash book ensuring that the expenses are entered and analysed and that any VAT input tax is accounted for</p> <p>2.2 Total and cross cast the petty cash book</p> <p>2.3 Code the petty cash book</p> <p>2.4 Transfer column totals from the petty cash book into the double entry bookkeeping system</p>
3 Maintain the petty cash balance	<p>3.1 Balance off the petty cash book and restore the petty cash balance using the imprest system.</p> <p>3.2 Reconcile the balance of petty cash per the petty cash book with cash in hand</p> <p>3.3 Prepare a petty cash reimbursement requisition</p> <p>3.4 Show the reimbursement of the petty cash expenditure in the petty cash book</p>

MAINTAINING AND RECONCILING THE CASH BOOK – D5051122

Credit value:2 Level: 2

Learning Outcomes	Assessment Criteria
1 Maintain a columnar cash book	<p>1.1 Prepare a paying-in slip and reconcile monies to be banked to supporting records</p> <p>1.2 Enter receipts and payments, including on-line transactions and automated payments, from relevant source documents into a columnar cash book.</p> <p>1.3 Analyse and record receipts and payments including any VAT collected and paid</p> <p>1.4 Total, balance and cross cast the cash book and deal with any discrepancies found in carrying out this process</p> <p>1.5 Code the cash book</p> <p>1.6 Transfer column totals from the cash book into appropriate accounts within the ledgers</p>
2 Reconcile a bank statement with the cashbook	<p>2.1 Check individual items on the bank statement against postings in the cash book and identify discrepancies</p> <p>2.2 Prepare a bank reconciliation statement and bring the cash book balance into agreement with the balance per the bank statement</p> <p>2.3 Update the cash book following the preparation of the bank reconciliation statement</p>

MAINTAINING THE JOURNAL – H5051123

Credit value: 2 Level: 2

Learning Outcomes	Assessment Criteria
1 Open a new set of double entry bookkeeping records using the journal	<p>1.1 Prepare the journal entries to open a double entry set of bookkeeping records for a new or existing business</p> <p>1.2 Record the journal entries in the ledger accounts</p>
2 Use the journal to correct bookkeeping errors	<p>2.1 Prepare Journal entries to correct bookkeeping errors and clear a suspense account difference in books balance</p> <p>2.2 Record the journal entries in the general ledger to correct ledger account balances and clear a suspense account balance</p>

3 Use the journal to record bad debts	<p>3.1 Prepare the journal entry to write off a bad debt and claim VAT bad debt relief (where appropriate)</p> <p>3.2 Record the journal entry to write off a bad debt and claim VAT bad debt relief in the double entry bookkeeping system</p>
4 Use the Journal to account for wages, salaries and employer on-costs	<p>4.1 Prepare the journal entries to account for net pay, deductions from pay and employer on-costs</p> <p>4.2 Record the journal entries to account for wages salaries and employer on-costs in the double entry bookkeeping system</p>

PROCESSING LEDGER TRANSACTIONS AND EXTRACTING A TRIAL BALANCE – M5051125

Credit value: 2 Level: 2

Learning Outcomes	Assessment Criteria
1 Process ledger transactions from the books of prime entry	1.1 Make transfers from books of prime entry into the double entry bookkeeping system
2 Prepare ledger balances and an initial trial balance	<p>2.1 Balance off ledger accounts clearly showing balances carried down and brought down</p> <p>2.2 Prove the arithmetic accuracy of the double entry records by listing account balances in trial balance format</p> <p>2.3 Where a trial balance reveals bookkeeping errors balance the trial balance by introducing a suspense account difference in books balance</p> <p>2.4 Correct bookkeeping errors and re-draft a trial balance following the correction of errors and the elimination of a suspense account balance</p>

MAINTAINING CONTROL ACCOUNTS – K5051124

Credit value: 1 Level: 2

Learning Outcomes	Assessment Criteria
1 Prepare sales ledger, purchase Ledger and VAT control accounts	1.1 Prepare a sales ledger control account from information extracted from the books of prime entry 1.2 Balance the sales ledger control account 1.3 Prepare a purchase ledger control account from information extracted from the books of prime entry 1.4 Balance the purchase ledger control account 1.5 Prepare a VAT control account from information extracted from the books of prime entry
2 Reconcile sales ledger, purchase ledger and VAT control accounts	2.1 Reconcile the balance on the sales ledger control account with a list of debtors taken from the sales ledger 2.2 Reconcile the balance on the purchase ledger control account with a list of creditors taken from the purchase ledger 2.3 Reconcile the balances on the VAT control account with information provided to Her Majesty's Revenue and Customs (HMRC)