



Institute of
accountants &
bookkeepers

Qualification Specification

IAB Level 2 Certificate in Computerised Bookkeeping

February 2023

Qualification Number: 601/9052/8

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Introduction and purpose of the qualification

Learners who complete the qualification successfully will have the knowledge and skills to use a commercial computerised accounting package. They will recognise the advantages of using a computerised accounting system. They will understand the need for measures to be in place to maintain the security of computer hardware, software, and data. They will also set up a computerised accounting system for a business by inputting opening account balances. They will also be able to set up accounts for customers and suppliers. They will develop skills that will enable them to create a variety of business documents. They will also be able to input the data from source documents to account for transactions with a business's cash as well as credit suppliers and customers.

The qualification aims to give the learner the skills required to use a journal by preparing journal entries and processing transactions from the journal through the accounting system. Successful completion of the qualification will give learners the skills required to be able to process receipts from a business's customers and payments to its suppliers in cash, by cheque, plastic card, BACS or other automated payment methods through a bank current account and have the skill to be able to reconcile the balance on the bank current account against the balance on a statement of account received from a bank. They will also be able to process payments made by a business from petty cash.

On completing the qualification, learners will have progressed to a stage whereby they understand how the VAT system operates, the skill to calculate VAT and use accounts to record VAT purchase tax and sales tax. They will also generate several reports for general use or use by management.

Target groups

The IAB Level 2 Certificate in Computerised Bookkeeping qualification has been designed to appeal to learners:

- who wish to further their studies of computerised accounting and gain a qualification at Level 2 of the regulated qualification framework, either from the point of no previous knowledge or having already achieved the IAB Level 1 Award in Computerised Bookkeeping
- who already have some practical knowledge and skills and wish to gain an accredited qualification in the subject of computerised accounting.
- who are considering a career as a self-employed practitioner, and
- owners of small businesses as it gives coverage of the use of commercially available computerised software suitable for maintaining accounts for a small business.

Access and Entry Requirements

The entry requirements below are intended for guidance only as applicants may apply with various backgrounds and qualifications.

Approved IAB Centers are responsible for checking applications against the following admission requirements and ensuring learners can fulfil the demands of the qualification before admission and enrolment.

There are no formal entry requirements for the IAB Level 2 Certificate in Computerised Bookkeeping qualification. However, it is recommended that prospective learners acquire basic skills in numeracy, information technology, and literacy prior to starting their studies in this subject area. An understanding of bookkeeping terminology and practices is also desirable.

Learners must have appropriate academic skills or be given support by centres to acquire the relevant study skills required for this qualification.

Requirements		Recommended Admission requirements
All learners	Minimum age	16 at enrolment
	English Language	All learners without English as a first language must hold at least IELTS 5.0 or other evidence of competence in English at this level. This course is taught and assessed in English.
	Education	This is an open-access qualification with admission at the discretion of approved IAB Centers for learners they consider able to complete the qualification.

Qualification Level, Size and Structure

The Office of Qualifications and Examinations Regulation (Ofqual), Qualification Wales and CCEA Regulation regulates qualifications, examinations, and assessments in England, Wales, and Northern Ireland. The IAB Level 2 Certificate in Computerised Bookkeeping is a vocationally related qualification on Qualification Wales, CCEA Regulation and Ofqual Regulated Qualification Frameworks. It adheres to the regulations set out in the regulators' Handbooks.

Regulated qualifications are recognised and trusted by parents, employers, and educational establishments globally due to the stringent controls and quality assurance requirements the regulators place on awarding organisations, qualifications, and approved delivery centres.

Qualification Size

The qualification is designed to be delivered in 130 hours of TQT (Total Qualification Time), of which 55 are Guided Learning Hours (GLH). TQT is the total amount of time, in hours, expected to be spent by a learner to achieve a qualification.

Definitions:

- Guided Learning Hours – GLH

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This is the amount of time the average learner is expected to spend in supervised learning and practice but may vary by learner.

- Total Qualification Time – TQT
TQT is made up of Guided Learning Hours plus all other time taken in preparation, study, or any form of participation in education and training but not under the direct supervision of a lecturer or centre marker.

The following activities are indicative of those included in TQT:

- Guided Learning (GLH) when the lecturer is present, e.g., formal classes, lectures, seminars, tutorials, supervised assessment such as exams or observed practice.
- Independent and unsupervised learning or research.
- Unsupervised coursework or directed activity.
- Watching pre-recorded webinars or podcasts.
- Work placement, self-study, visits to accounting or finance firms, revision and time spent on written assignments.

Learners completing this qualification should demonstrate their ability as independent learners.

Qualification Level

This qualification is at

- Level 2 on the Regulated Qualifications Frameworks in England, Wales, and Northern Ireland.

IAB qualifications comply with level descriptors, which are divided into two categories:

- Knowledge and understanding.
- Skills.

The descriptors below set out the generic knowledge and skills associated with the typical holder of a qualification at that level.

Knowledge descriptor: The holder...	Skills descriptor: The holder can...
<ul style="list-style-type: none"> • Has knowledge and understanding of facts, procedures, and ideas in an area of study or field of work to complete well-defined tasks and address straightforward problems. • Can interpret relevant information and ideas. • Is aware of a range of information relevant to the area of study or work. 	<ul style="list-style-type: none"> • Select and use relevant cognitive and practical skills to complete well-defined, generally routine tasks and address straightforward problems. • Identify, gather, and use relevant information to inform actions. Identify how effective actions have been.

Qualification Structure

The following table sets out the qualification structure, units, sizing information, and assessment types for the IAB Level 2 Certificate in Computerised Bookkeeping. Further details of each unit are included later in the specification.

IAB Level 2 Certificate in Computerised Bookkeeping				
Learners must achieve the following units, providing 13 credits at level 2.				
Credit Value (CV): 13			QAN: 601/9052/8	
Guided Learning Hours (GLH) for Qualification: 55			Total Qualification Time (TQT) for Qualification: 130	
Mandatory Units				
Unit Title	L	CV	GLH	Assessment Method
Use a Computerised Accounting System	2	10	40	Sage Business Cloud online assessment
Principles of Computerised Accounting and VAT	2	3	15	Online knowledge test
Diploma Total		13	55	

This qualification allows progression to other qualifications, particularly to IAB's qualifications at Level 3 or further study opportunities.

Qualification Grading Criteria

To achieve the qualification, learners must take and pass the assessments for the two mandatory units of which the qualification is comprised. To pass an assessment, the learner must achieve a minimum of 60% in each assessment to be awarded the certificate.

There are no grade scales – learners will receive either a pass or a fail result.

Assessment Methodology

The assessment methodology implemented by the IAB has been designed to ensure that learners are familiar with the format of the final assessment and ensure that continuous learning and assessment takes place. All IAB assignments, tests, and final exams, where they are not auto marked, will be marked by an IAB appointed examiner. Where possible, all assessments will be completed using the IAB's online assessment platform.

There are two assessments for this qualification, namely the IAB online knowledge test, completed on the IAB assessment platform. Secondly, an online Sage assessment will be required to be completed using the Sage supplied material and the associated online assessments.

The assessments will be auto marked in both instances, and learners will receive their results immediately upon completion.

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Learners must achieve a minimum of 60% in each assessment to be awarded the certificate.

Reasonable Adjustment

As an Awarding Organisation, the IAB has a duty not to discriminate against individuals in relation to conferring qualifications in respect of the protected characteristics set out in the Equality Act 2010. The IAB will develop specifications, identify the assessment criteria, and draft assessment content to minimise the impact on individuals with differing protected characteristics.

The duty for the IAB to make a reasonable adjustment will apply where assessment arrangements would put a learner who has a disability or learning need at a substantial disadvantage compared to a learner who does not have a disability or learning need. In such circumstances, the IAB is required to take steps to mitigate that disadvantage.

Qualification Units

Use a Computerised Accounting System				
Unit Level 2				
Unit Size	Guided Learning Hours (GLH)	40	Credit Value: (1 credit is 10 hours total study/TQT)	Credits 10
Unit assessed by	Online assignment using Sage Cloud Business			
Learning Outcome 1	Be able to enter and/or restore data using a computerised accounting package			
Assessment Criteria	1.1 Enter and/or restore data accurately, for example: <ul style="list-style-type: none"> • company name and address • financial year • program date • customer details • supplier details • nominal accounts • VAT scheme 			
Learning Outcome 2	Be able to set up assets, capital, and budgets			
Assessment Criteria	2.1 Enter nominal account opening balances. 2.2 Enter budgets			
Learning Outcome 3	Be able to record customer and supplier invoices and credit notes			
Assessment Criteria	2.1 Enter invoices and credit notes into the correct customer and supplier accounts, using the correct data and appropriate reference and details			
Learning Outcome 4	Enter invoices and credit notes into the correct customer and supplier accounts, using the correct data and appropriate reference and details			
Assessment Criteria	4.1 Allocate monies received by cheque, cash, and automatic transfer to the correct customer account, for example:			

	<ul style="list-style-type: none"> • part payment • payments made on account. • payments taking account of credit notes. • payments taking account of previous payments on account. • settlement discount <p>4.2 Enter the correct reference and date.</p> <p>4.3 Identify amounts owed by customers.</p> <p>4.4 Process bad debts, contra entries and dishonoured cheques</p>
Learning Outcome 5	To be able to process payments to suppliers
Assessment Criteria	<p>5.1 Allocate monies received by cheque, cash, and automatic transfer to the correct supplier account, for example:</p> <ul style="list-style-type: none"> • part payment • payments made on account. • payments taking account of credit notes. • payments taking account of previous payments on account. • settlement discount <p>5.2 Enter the correct reference and date.</p> <p>5.3 Identify amounts due for payment to suppliers.</p> <p>5.4 Process contra entries</p>
Learning Outcome 6	To be able to process non-credit payments and receipts
Assessment Criteria	<p>6.1 Process cash and cheque payments and receipts for expenditure and income made on a non-credit basis.</p> <p>6.2 Process recurring payments and receipts such as direct debits, standing orders, credit transfers, etc.</p> <p>6.3 Calculate the tax element (e.g., VAT) where the gross amount and the rate of tax is given for both payments and receipts</p>
Learning Outcome 7	Be able to process journals
Assessment Criteria	<p>2.1 Process journals for at least three of the following transactions:</p> <ul style="list-style-type: none"> • record the purchase of new fixed assets. • make simple corrections to nominal ledger accounts. • record goods taken by the owner for own use where tax (e.g., VAT) is not involved • record assets introduced by the owner. • process bad debts from non-credit customers
Learning Outcome 8	Be able to produce reports using selection criteria and parameters
Assessment Criteria	<p>2.1 Produce a variety of routine reports using correct selection criteria and parameters, for example:</p> <ul style="list-style-type: none"> • customer and supplier address lists • customer and supplier histories/activity • aged debtors and aged creditors analysis • remittance advice notes • customer statements

	<ul style="list-style-type: none"> • budget reports • nominal account activity • audit trail • trial balance
Learning Outcome 9	Be able to process petty cash payments and receipts
Assessment Criteria	9.1 Introduce or restore and/or increase a petty cash float. 9.2 Enter petty cash voucher and receipt details, ensuring that they are coded to the correct nominal code. 9.3 Calculate the tax element (e.g., VAT) where the gross amount and rate of tax is given for both payments and receipts
Learning Outcome 10	Be able to correct transaction errors
Assessment Criteria	10.1 Make simple corrections to nominal ledger transactions, for example: <ul style="list-style-type: none"> • changes of account • references • amounts • tax codes
Learning Outcome 11	Be able to process salary journals
Assessment Criteria	11.1 Enter details from wages and salary information provided, including: <ul style="list-style-type: none"> • gross wages and salaries • net wages and salaries • statutory deductions owed to HM Revenue & Customs • Payments to the Collector of Taxes • Non-statutory deductions
Learning Outcome 12	Be able to carry out bank reconciliation
Assessment Criteria	12.1 Match individual items on the bank statement against the computer bank record. 12.2 Update the computer bank record with additional items from the bank statement

Principles of Computerised Accounting and VAT				
Unit Level	2			
Unit Size	Guided Learning Hours (GLH)	15	Credit Value: (1 credit is 10 hours total study/TQT)	Credits 3
Unit assessed by	Online multiple-choice knowledge test			
Learning Outcome 1	Understand the basics of computerised accounting			
Assessment Criteria	1.1 Understand the following accounting functions: <ul style="list-style-type: none"> • financial accounting • management accounting 			

	<p>1.2 Understand the characteristics of a sole trader, partnership, and limited company entities in terms of ownership, control, and owner’s financial liability.</p> <p>1.3 Understand the system of recording business transactions known as ‘double entry.’</p> <p>1.4 Recognise elements within the accounting equation and understand the terms assets, capital, and liabilities and how the accounting equation relates to the principle of double-entry.</p> <p>1.5 Understand how the following accounting concepts are applied – business entity, dual aspect, and money measurement.</p> <p>1.6 Recognise the advantages of using a computerised accounting system.</p> <p>1.7 Understand the use of account codes and the purpose of the chart of accounts.</p> <p>1.8 Understand the purpose of the following within a computerised accounting system:</p> <ul style="list-style-type: none"> • ledger accounts • the nominal ledger • debtor and creditor control accounts • supplier and customer files • customer and supplier activity/history reports • aged debtor and creditor reports • trial balance • summary audit trail • bank statement reconciled and unreconciled transactions. <p>1.9 Understand the terms ‘single transaction processing’ (real-time processing) and ‘batch processing’, and know-how bookkeepers use these processing techniques.</p> <p>1.10 Recognise the following security measures designed to protect computer hardware, software and restrict access to the computerised accounting system:</p> <ul style="list-style-type: none"> • measures to restrict unauthorised access to premises and offices where computer and confidential information is kept. • measures to protect the computer system and software from corruption viruses, hackers, and predators. • the use of passwords to restrict access to computer systems. <p>1.11 Recognise the principles which apply to the keeping and confidentiality of data.</p> <p>1.12 Understand the need for a backup policy as a safeguard against the loss of data due to unforeseen circumstances</p>
Learning Outcome 2	Understand terms used in accounting
Assessment Criteria	2.1 Have a knowledge and understanding of the following terms:

	<ul style="list-style-type: none"> • business transaction • income (capital and revenue) • expenditure (capital and revenue) • cash purchases and sales • credit purchases and sales, and purchases and sales returns • profit and loss • drawings • stock • trade debtors and creditors • bad debt • discounts (trade, bulk, and prompt payment discounts) • wages, salaries, gross pay, net pay, and statutory and voluntary deductions
Learning Outcome 3	Recognise source documents and understand their purpose
Assessment Criteria	<p>2.1 Recognise the following documents and know how they are used as the source of recording transactions in a bookkeeping system:</p> <ul style="list-style-type: none"> • invoice • credit note • statement of account (customer and supplier) • remittance advice • receipt • takings/sales summary • cheque counterfoil • paying-in slip • bank statement <p>2.2 Understand how the following are used in the preparation of invoices and credit notes:</p> <ul style="list-style-type: none"> • supplier and customer files • purchase order • delivery note • goods returned note. • catalogues, price lists and quotations <p>2.3 Know the HMRC rules for retaining source documents</p>
Learning Outcome 4	Understand the basics of the VAT system
Assessment Criteria	<p>4.1 Understand how VAT is collected and passed on.</p> <p>4.2 Recognise the government department responsible for the administration of the VAT system.</p> <p>4.3 Understand who needs to register for VAT.</p> <p>4.4 Understand the following VAT terms:</p> <ul style="list-style-type: none"> • taxable supplies • input tax (purchase tax)

	<ul style="list-style-type: none"> • output tax (sales tax) <p>4.5 Recognise the three rates of VAT (standard, zero and reduced rate)</p> <p>4.6 Understand the VAT terms ‘exempt’ and ‘outside the scope.’</p> <p>4.7 Recognise VAT tax codes</p>
Learning Outcome 5	Understand HMRC VAT rules
Assessment Criteria	<p>5.1 Understand the HMRC VAT rules relating to:</p> <ul style="list-style-type: none"> • the keeping of VAT records • the preparation and presentation of invoices (including the invoicing options and the calculation of VAT where prompt payment discounts are offered) • the VAT tax point • accounting for VAT bad debt relief • surcharges and penalties for mistakes and delays <p>5.2 Understand the HMRC VAT rules relating to options for preparing invoices where a supplier offers a prompt payment discount to a customer and the rules for accounting for a VAT adjustment where the offer of a prompt payment discount is taken-up</p>
Learning Outcome 6	Understand the purpose of VAT accounts and the VAT return
Assessment Criteria	<p>6.1 Understand the purpose of the VAT purchase tax and sales tax accounts.</p> <p>6.2 Understand the function of the VAT return (VAT 100)</p>

Sample Assessments and practice exercises

The IAB has deliberately not included sample assessment questions within this qualification specification. The bespoke material developed will provide sufficient sample questions and practise exercises to ensure that learners are well prepared for the questions covered in the tests, assignments, and final exam.

Furthermore, as the curriculum is updated to ensure that learners exiting with the qualification are meeting the needs of business and the latest regulations, legislation and practices, the bespoke material will encompass these changes, whilst any sample paper produced here could become obsolete over time.

About IAB

Introduction

Setting world-class standards and offers learners worldwide the chance to gain the very best financial qualifications – as well as lifelong skills. The IAB is one of the most prestigious not-for-profit organisations for professional bookkeepers globally. With qualifications regulated by Ofqual, the IAB is a statutory supervisory body under the Money Laundering Regulations. The IAB is also a professional body for bookkeepers.

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Founded in 1973, the IAB is both an awarding and professional body. Today, celebrating 50 years of success, it offers a host of regulated bookkeeping and business qualifications and supports and regulates professionals on their career path.

With membership attracting learners, business owners and accounting professionals alike, the IAB's sights are on the future – helping members maintain their skills and respected status.

At the forefront of benchmarking, the IAB works with the government and standard-setting bodies to promote the professional integrity of bookkeepers.

Under the UK Money Laundering Regulations, the IAB is a statutory supervisor – ensuring members in practice comply with the law. Alongside this, it also plays a key role in developing national qualifications.

Policies

IAB Policies are available to Approved Centres and learners to refer to in the administration and the delivery of the programme.

Location

IAB offices are in central London, United Kingdom, within easy walking distance of underground and bus stops. We always welcome visits from Centres and encourage this wherever possible.

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