



Unit Specification

Unit title	Make accounting adjustments – Y/508/5866
Level	3
GLH	25
Learning Outcomes	Assessment Criteria
1 Account for a stock valuation	Learners are required to demonstrate they can: 1.1 Value stock at cost price 1.2 Value stock at net realisable value 1.3 Adjust retail selling price to cost price given mark-up or margin 1.4 Value stock given cost price and net realisable value 1.5 Adjust a stock valuation 1.6 Prepare a journal entry to account for closing stock 1.7 Prepare the journal entry to transfer opening and closing stock to the trading account 1.8 Keep a stock account, record opening and closing stock and balance off the account at the end of an accounting period 1.9 Use opening and closing stock valuations in the preparation of financial statements
2 Account for fixed assets	Learners are required to demonstrate they can: 2.1 Maintain a fixed asset register 2.2 Calculate depreciation using the straight line and diminishing balance methods applying the full year and month-for-month bases 2.3 Prepare a journal entry to account for a fixed asset bought on credit 2.4 Prepare a journal entry to support a depreciation charge 2.5 Maintain fixed asset cost accounts, provision for depreciation accounts and a depreciation expense account in the ledger 2.6 Calculate the profit or loss on disposal of a fixed asset 2.7 Prepare journal entries to support the transfer of a fixed assets cost and accumulated depreciation to a disposals account following its disposal

	<p>2.8 Prepare a fixed asset disposals account in the ledger and record the cost, accumulated depreciation, income on disposal and profit or loss on disposal of fixed assets</p> <p>2.9 Prepare the journal entry to support the transfer of profit or loss on disposal of fixed assets to the profit or loss account</p> <p>2.10 Use information in the bookkeeping system relating to the cost, annual depreciation charge, accumulated provision for depreciation and profit or loss on disposal when preparing financial statements</p>
<p>3 Account for prepayments and accruals</p>	<p>Learners are required to demonstrate they can:</p> <p>3.1 Make calculations to account for amounts received in advance, receivable in arrears, paid in advance and payable in arrears</p> <p>3.2 Prepare journal entries to account for prepayment and accruals adjustments and process the adjustments through appropriate accounts in the ledger</p> <p>3.3 Prepare journal entries to transfer non-trading income earned, and expenses incurred in an accounting period to the profit and loss account, process the transfer transactions through the ledger accounts and close off the accounts</p> <p>3.4 Use prepayment and accruals balances in the preparation of a balance sheet</p>
<p>4 Account for bad and doubtful debts</p>	<p>Learners are required to demonstrate they can:</p> <p>4.1 Prepare the journal entry to account for the write-off of a bad debt and make a claim for VAT bad debt relief, record the journal entry in the main and subsidiary ledgers</p> <p>4.2 Calculate a provision for doubtful debts using the general provision or specific provision bases</p> <p>4.3 Calculate a provision for doubtful debts increase or decrease adjustment and record the adjustment in a provision for doubtful debts account</p> <p>4.4 Record a provision for doubtful debts adjustment (increase or decrease) in the profit and loss account</p> <p>4.5 Balance off the provision for doubtful debts account and use the closing balance in the preparation of a balance sheet</p>