IAB Level 1 Award in Computerised Bookkeeping 601/9050/4

Qualification Specification

Contents

1   Introduction to the qualification

The Level 1 Award in Computerised Bookkeeping qualification is an accredited qualification within the Regulated Qualification Framework (RQF).
The total Guided Learning Hours for this qualification are as follows:

Guided Learning Hours (GLH)
30

2   Statement of level

This is an entry Level 1 qualification as defined within the regulations of the RQF.

3   Aims

The units of which the Level 1 Award in Computerised Bookkeeping qualification is comprised are designed to give learners the basic knowledge, understanding and skills that will enable them to use a commercial computerised accounting package to carry out routine accounting tasks from data they are given.

Learners who complete the qualification will recognise the concept on which double entry processing is based and be able to use some of the basic terms associated with bookkeeping and accounting. They will also understand the need to maintain the security of a computerised accounting system, the importance of the confidentiality of data, and be able to use a back-up function as a safeguard against the loss of data.

On successfully completing the qualification the learner will be able to set up a computerised accounting system for a sole trader by entering opening account balances onto the system. They will also be able to set up customer and supplier accounts.

The qualification introduces learners to some of the source documents commonly used in business for the purpose of recording transactions in an accounting system, and will give them the skills to process data from source documents. Learners who successfully complete the qualification will be able to use the functions within a computerised accounting package to process purchases and sales, the payment of business expenses and the taking of drawings by the owner of the business. They will also be able to process receipts and payments through the business bank account and petty cash account, where payment is made or received in cash, by cheque, plastic card, BACS or other automated payment method. Learners will also have the skills to account for VAT.

On completing the qualification the learner will have progressed to the stage whereby they can reconcile the balance on the bank current account of the business and use the computerised accounting system to generate simple reports.

Successful completion of the Level 1 Award in Computerised Bookkeeping qualification will give the learner the basis from which they can progress with their studies.

4 Target groups

The Level 1 Award in Computerised Bookkeeping qualification is specifically aimed at learners who wish to begin their studies of computerised accounting and gain entry to a Level 1 qualification within the regulated qualification framework.

The qualification has been designed to appeal to individuals within the following groups:

- Learners starting their studies in the subject of computerised accounting from a point of no previous knowledge or experience.

- Learners employed at a junior level with some limited basic accounting knowledge and skills who want to formalise their competence by gaining a recognised accredited qualification in computerised bookkeeping.

- Learners returning to study and/or work after a study or career break.

- Learners considering a change in career.

- Learners considering a career as a self-employed practitioner.

- Owners of small businesses wanting an introduction to the function of computerised accounting so that they can personally keep computerised records for their business.

5 Entry requirements

There are no formal entry requirements to the Level 1 Award in Computerised Bookkeeping qualification. However, it is recommended that prospective entrants have basic skills in numeracy and literacy. Some basic information technology skills would also be useful.

6 Progression

Holders of the Level 1 Award in Computerised Bookkeeping qualification are able to progress with their studies by:

- Progressing to another qualification at Level 1 and converting their Award to a higher value qualification

- Progressing to a qualification in the same subject area but at a higher level, thereby expanding their knowledge and skills base in that subject area

7   Level 1 Award in Computerised Bookkeeping (RQF) – Units and Learning Outcomes

The qualification comprises two mandatory units. The unit titles and learning outcomes are as follows:

Unit title: Introduction to computerised accounting – D/508/5836
Learning outcomes:
1   Understand the basics of computerised accounting
2   Understand accounting terms
3   Recognise source documents
4   Understand the basics of the VAT system

Unit title: Set up a computerised accounting system and process data – Y/508/5849
Learning outcomes:
1   Set up a computerised accounting system
2   Process credit based transactions
3   Process cash sales and sundry income
4   Process receipts from credit customers
5   Process payments to credit suppliers
6   Process payments through the bank current account
7   Process petty cash transactions
8   Reconcile the balance on the bank current account
9   Generate reports

8 Level 1 Award in Computerised Bookkeeping – Assessment, Achievement and Grading

8.1 Methods of assessment

A Knowledge Test and assignment are used for the purpose of assessing learner competence in this qualification. The assessments are completed online using the IABOnline testing platform. Assessments completed online by learners are subject to a time constraint.

Assessment Title	Method of Assessment
Introduction to computerised accounting	Knowledge Test
Set up a computerised accounting system and process data	Assignment

For the purpose of practice and revision the IAB provides specimen pilot assessments on its testing platform.

8.2 Achievement and grading

To successfully achieve the qualification learners must demonstrate competence in the learning outcomes and assessment in the mandatory units of which the qualification is comprised. Learners are assessed as Pass or Fail. Minimum levels of achievement are set as follows:

Knowledge Test – Introduction to computerised accounting – 70%

Assignment – Set up a computerised accounting system and process data - 60%

The qualification is not graded. On successful completion of each of the units the learner will be awarded a Pass in the unit completed.

Learners studying without being attached to an IAB accredited training centre may need to contact the IAB directly for further information on assessment, achievement and grading.

9 Certification

On successful completion of both mandatory units the learner will receive the Level 1 Award in Computerised Bookkeeping. They will be issued with a certificate confirming that they have demonstrated competence in the learning outcomes and assessment criteria in each of the units making-up the qualification. The certificate will identify the learner by name and will include the full title and accreditation number of the qualification.

Learners who do not achieve the full qualification may request a Unit Certificate of Completion (RQF) for any of the individual units they successfully complete. This certificate will refer only to the title of the unit completed. Prior to issue of the Unit Certificate of Completion (RQF) a fee per unit must be paid to the IAB. Details of these fees are available on our current fees list which can be accessed online, alternatively please contact the Education Team.

10   Reasonable Adjustments and Special Considerations Policy and Procedure

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

11   Enquiries and Appeals Procedure

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

12   Level 1 Award in Computerised Bookkeeping – Unit Specifications

The unit specifications indicate the content, in terms of learning outcomes and assessment criteria, of each of the mandatory units within the Level 1 Award in Computerised Bookkeeping qualification.

All the learning outcomes and assessment criteria must be covered by providers when delivering the qualification. However, all learning outcomes and assessment criteria may not be fully covered by the assessments used for the purpose of assessing learner competence in this qualification.

The content of the assessments used by the IAB to assess competence in this qualification is subject to ongoing review and may change periodically.

Each of the unit specifications is provided below:

Level 1 Award in Computerised Bookkeeping

Unit title	Introduction to computerised accounting – D/508/5836
Level	1
GLH	5

Learning Outcomes	Assessment Criteria
1 Understand the basics of computerised accounting	**Learners are required to demonstrate they:** 1.1 Understand the system of recording business transactions known as 'double entry' and recognise the dual aspect concept as being the concept on which double entry is based 1.2 Recognise the elements within the accounting equation and understand the terms assets, capital and liabilities 1.3 Recognise the term 'sole trader' and understand the characteristics of a sole trader type entity in terms of ownership, control and owner's personal financial liability 1.4 Understand the purpose of the following within a computerised accounting system: • the nominal ledger • ledger accounts • debtor and creditor control accounts • supplier and customer files 1.5 Understand the use of account codes and the purpose of the chart of accounts 1.6 Understand the purpose of the trial balance 1.7 Understand the purpose of the bank reconciliation statement 1.8 Understand the purpose of the summary audit trail 1.9 Understand the link between the processing system and the financial statements (profit and loss account and balance sheet) 1.10 Recognise the following security measures designed to protect computer hardware, software and restrict access to the computerised accounting system: • 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

2 Understand accounting terms	**Learners are required to demonstrate they:**
	2.1 Understand the following accounting terms:
	
	    • income (capital and revenue)
	    • expenditure (capital and revenue)
	    • drawings
	    • cash purchases and sales
	    • credit purchases, sales and returns
	    • cash (notes and coins), cheque, automated payment (BACS, plastic card (debit and credit card), standing order and direct debit
	    • discounts (trade and prompt payment)
	    • wages and salaries (gross pay, deductions from pay, and net pay)
	    • petty cash
	    • imprest system (petty cash)

3 Recognise source documents	**Learners are required to demonstrate they:**
	3.1 Recognise the following source documents and understand their purpose:
	    • invoice
	    • credit note
	    • customer/supplier statement of account
	    • remittance advice
	    • receipt (to support a payment made in cash, by cheque or plastic card)
	    • summaries of takings (to support cash sales)
	    • cheque book counterfoil
	    • paying in slip
	    • bank statement
	    • petty cash voucher
	
	3.2 Understand the HMRC rules relating to the retention of source documents

4 Understand the basics of the VAT system	**Learners are required to demonstrate they:** 4.1 Recognise the government agency responsible for administration of the VAT system 4.2 Understand the terms 'input tax/purchase tax' and 'output tax/sales tax' 4.3 Recognise rates of VAT 4.4 Understand the VAT terms 'exempt' and 'outside the scope' 4.5 Recognise VAT Tax codes 4.6 Understand the requirements of HMRC VAT legislation relating to the calculation of VAT where prompt payment discounts are offered 4.7 Understand the use of VAT sales tax and purchase tax accounts

Unit title	Set up a computerised accounting system and process data – Y/508/5849
Level	1
GLH	25

Learning Outcomes	Assessment Criteria
1 Set up a computerised accounting system	**Learners are required to demonstrate they can:** 1.1 Use the set up function and enter details to set up a computerised accounting system for a business by completing appropriate fields within the set up procedure 1.2 Use the opening balance function and input opening account balances on a computerised accounting system 1.3 Use the new customer function to create customer accounts by completing appropriate fields within the function 1.4 Use the new supplier function to create supplier accounts by completing appropriate fields within the function 1.5 Use a back-up function and back up data at regular intervals
2 Process credit based transactions	**Learners are required to demonstrate they can:** 2.1 Process transactions from invoices and credit notes issued and received using appropriate transaction references : • input details from an invoice received from a supplier to account for goods or services bought on credit • input details from a credit note received from a credit supplier • input details from an invoice issued to a customer to account for goods or services sold on credit • Input details from a credit note issued to a credit customer 2.2 Process the VAT element of a transaction using appropriate tax codes
3 Process cash sales and sundry income	**Learners are required to demonstrate they can:** 3.1 Record income from the sale of goods/services, or from a non-trading activity (rent received only), where payment is received in cash (notes and coins), by cheque, plastic card or other automated payment method, using appropriate transaction references 3.2 Process the VAT element of income from cash sales using appropriate tax codes

4 Process receipts from credit customers	**Learners are required to demonstrate they can:**
	4.1 Use the customer receipts function on the bank record to account for amounts received from credit customers by cheque, BACS, plastic card or other automated payment method, using appropriate transaction references
	
	Notes:
	   1. Learners are **not** required to account for a receipt in part-payment of an invoice. or an amount received as a payment on account
	
	   2. Learners are **not** required to account for prompt payment discounts, or the VAT adjustment resulting from the customer having taken-up the offer of a prompt payment discount

5 Process payments to credit suppliers	**Learners are required to demonstrate they can:**
	5.1 Use the supplier payments function on the bank record to account for amounts paid to credit customers by cheque, BACS, plastic card or other automated payment method, using appropriate transaction references
	
	Notes:
	   1 Learners are **not** required to account for a payment made in part-payment of an invoice, or an amount paid as a payment on account
	
	   2 Learners are **not** required to account for prompt payment discounts, or the VAT adjustment resulting from the taking-up of the offer of a prompt payment discount

6 Process payments through the bank current account	**Learners are required to demonstrate they can:**
	6.1 Use the bank payments function on the bank record to process the following payments made from the bank current account by cheque, plastic card, or other automated payment method, using appropriate transaction references:
	    • a payment made to acquire a fixed asset
	    • the payment of business expenses
	    • the taking of drawings by the proprietor
	    • a payment made to restore the petty cash float
	
	6.2 Process the VAT element of payments from the bank current account using appropriate tax codes

7 Process petty cash transactions	**Learners are required to demonstrate they can:** 7.1 Use the payments function to record petty cash payments using appropriate transaction references 7.2 Record the receipt of monies to restore the petty cash imprest balance 7.3 Process the VAT element of petty cash payments using appropriate tax codes

8 Reconcile the balance on the bank current account	**Learners are required to demonstrate they can:** 8.1 At a given date use the reconcile function on the bank account to match entries on the bank current account, using an appropriate reference, with those appearing on the statement of account received from the bank, identify unreconciled items and reconcile the balance

9 Generate reports	**Learners are required to demonstrate they can:**
	9.1 Use a computerised accounting system to generate the following reports:
	    • supplier names and addresses
	    • customer names and addresses
	    • trial balance
	    • bank statement reconciled and unreconciled transactions

13   Links to National Occupational Standards (NOS)

The mandatory units within the Level 1 Award in Computerised Bookkeeping qualification link with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-1 Process Income
- FA-2 Process Expenditure
- FA-3 Account for Income and Expenditure