



London Chamber  
of Commerce &  
Industry

# IAB LCCI Level 2 Certificate in Business Calculations

Qualification Number: 610/3020/X

Specification Version 3 (February 2026)

Regulated by the Office of Qualifications and Examinations Regulation (Ofqual)



## Document history

The below table highlights updates made to the IAB LCCI Level 2 Certificate in Business Calculations since its first publication in June 2023.

Version	Date	Changes and updates	Authorised by
Version 3.0	February 2026	Revision of specification format with changes to layout and credit value	Professional Standards Committee
Version 2.0	September 2025	Review and minor revisions to format	Chief Executive Officer
Version 1.0	June 2023	IAB LCCI Document specification created	IAB Board

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## 1. About IAB & LCCI

Since our establishment in 1973, the IAB have provided accessible, high-quality qualifications that meet the needs of a modern global economy. Our long-standing reputation for credibility and rigour reflects our commitment to ensuring every qualification we offer supports learners to develop the knowledge and skills required for professional competence.

Our close collaboration with governments, employers, and education partners worldwide informs the development of our qualifications and ensures they remain relevant to current and emerging industry practice. Each programme is designed with a clear purpose: to deliver practical, job-ready skills that enable learners to progress directly into meaningful employment or further professional study.

As an internationally recognised awarding organisation with deep expertise in the finance and business sectors, the IAB offer structured pathways that support learners at every stage of their career. Our Ofqual-regulated qualifications at Levels 1–3 provide a solid foundation for entry into the profession, while our Level 4 and above qualifications enable advancement into more specialised or senior roles.

Rooted in real-world expectations and developed with input from industry practitioners, our qualifications emphasise accuracy, professional standards, and the practical competencies required by employers. Through studying with the IAB learners have the potential to achieve professional membership and invest in a trusted route to professional achievement and long-term career progression.

The London Chamber of Commerce and Industry (LCCI) have a heritage of over 120 years and a proud history rooted in advancing professional education. In 2023 the IAB became the awarding body for LCCI qualifications, marking a new chapter in the IAB offering. As with IAB, at the heart of our approach with LCCI was a simple but powerful principle, getting learners 'Job Ready' bridging the gap between classroom learning and workplace readiness, ensuring that students graduate with work-relevant skills, greater confidence, and job-readiness.

LCCI qualifications are built to reflect the complexity and diversity of modern business roles equipping learners not only for careers in bookkeeping, accountancy, and payroll, but also for positions across finance operations, business support, and commercial environments. This broader, Levels 1 -3 skills-based approach makes LCCI qualifications adaptable and relevant, opening more doors for learners and aligning closely with real-world employer expectations.

Upon being awarded IABLCCI Levels 2 and 3 learners can achieve AIAB and MIAB professional recognition respectively from the IAB should they wish to demonstrate their professional status.

### 1.1 Raising the standards in business and finance

In addition to our responsibility as an awarding organisation the IAB is also a professional membership organisation. Our members must meet published IAB Professional Standards and abide by IAB Byelaws as a condition of membership recognition. These required standards are monitored and regulated by the IAB to ensure integrity and best practice amongst our members to protect the public interest and maintain public confidence.

### 1.2 Registering for an IAB LCCI qualification

IAB LCCI qualifications are available through a global network of approved centres which ensures learners can access high quality teaching and assessment across the globe. Details of IAB LCCI approved centres can be found on our website at [www.iablcci.org.uk/centres/](http://www.iablcci.org.uk/centres/).

Further details about the requirements of an IAB LCCI accredited centre can be found at Section 6 of this specification.

## 2. IAB LCCI Level 2 Certificate in Business Calculations

### 2.1 Qualification at a glance

<b>Qualification Title</b>	<b>IAB LCCI Level 2 Certificate in Business Calculations</b>
<b>Level</b>	Level 2
<b>Objective</b>	To provide learners with a foundation in key business calculations, including calculating interest, averages, wages, salaries and currency exchanges.
<b>Qualification Number</b>	610/3018/1
<b>Qualification Type</b>	Vocationally Related Qualification This qualification is not part of an apprenticeship
<b>Entry Requirements</b>	No formal entry requirements. For learners studying in a local language B1 level of English on the Common European Framework of Reference (CEFR) or equivalent is recommended.
<b>Total Qualification Time (How long it takes)</b>	200 hours
<b>Guided Learning Hours</b>	150 hours
<b>Method of Assessment</b>	1 x online examination taken under controlled conditions (2 hours)
<b>Progression Routes</b>	<ul style="list-style-type: none"> <li>• Enter a chosen field of work, pursue a promotion or change field of work; or</li> <li>• Further study such as the IAB LCCI Level 3 Certificate in Advanced Business Calculations thereby further developing knowledge and skills in the subject area at a higher level.</li> </ul>
<b>Availability</b>	England and International (via Accredited Centres)
<b>Target Groups</b>	Learners who are: <ul style="list-style-type: none"> <li>• wishing to progress into assistant-level finance roles in a wide range of business environments, including retail and manufacturing businesses.</li> <li>• sole traders, small business owners and entrepreneurs who are running or setting up their own businesses.</li> </ul>
<b>Career Opportunities</b>	Trainee accounts assistant Administrative assistant Retail assistant Trainee finance assistant Business assistant Trainee business analyst

## 2.2 Why study this qualification?

The IAB LCCI Level 2 Certificate in Business Calculations qualification is internationally recognised and has been designed to enhance learners numerical skills in a business context. It is valuable for those seeking employment or career progression in various finance related roles in a wide range of business environments.

## 2.3 Who would benefit from this qualification?

This qualification is ideal for anyone looking to gain a foundation in key business calculations, including calculating interest, averages, wages, salaries and currency exchanges. Students will also learn how to complete the calculations needed to be able to produce hire purchase and leasing agreements. Learners will also develop the skills needed to produce key business trading documents, such as invoices and credit notes.

The qualification would benefit those who are working, or who are preparing to work, in a finance-related role in a wide range of business environments. The qualification is also ideal as an introduction to the basic business calculations for sole traders, small business owners and entrepreneurs who are running their own businesses.

## 2.4 What does the qualification cover?

The IAB LCCI Level 2 Certificate in Business Calculations includes content relating to these types of calculations:

- overhead expenses
- gross and profit for the year
- job costing
- cash budgets
- wages, salaries and commissions
- partnerships
- trading documents (orders, invoices, credit notes and statements)
- currency exchange
- hire purchase and leasing
- simple and compound interest
- averages

For full details of Unit content please refer to Section 5 of this specification.

## 2.5 What progression routes are available after this qualification?

IAB LCCI qualifications are designed to allow learners to pursue different routes as

outlined below.

**Enter a chosen field of work, pursue a promotion, or change their field of work**

The IAB LCCI Level 2 Certificate in Business Calculations supports progression directly to employment in finance-related roles, as well as those who operate their own businesses.

**Progress to further study, such as the next IAB LCCI level or externally with a professional body or education provider**

Learners can progress to qualifications across the IAB LCCI suites, such as the IAB LCCI Level 3 Certificate in Advanced Business Calculations as well as qualifications across the IAB LCCI suites.

Completing different IAB LCCI qualifications could potentially lead to gaining an IAB LCCI Diploma. Please refer to the 'Exemptions' section of this specification for information on recognition from external providers.

## 2.6 Entry Requirements

There are no formal entry requirements for this qualification.

Where learners are studying in a local language the IAB recommends learners have B1 level of English on the Common European Framework of Reference (CEFR) or equivalent. This will support access to the assessment materials and be able to communicate responses effectively.

### 3. Qualification Structure

The following table sets out the qualification structure, units, sizing information, and assessment type for the IAB LCCI Level 2 Certificate in Business Calculations. Further details of each unit are included at Section 5 of this specification.

IAB LCCI Level 2 Certificate in Business Calculations	
<b>Level</b>	<b>2</b>
<b>Guided Learning Hours (GLH)</b>	<b>150</b>
<b>Total Qualification Time (TQT)</b>	<b>200</b>
<b>Assessment Method</b>	<b>Online examination (2 hours)</b>

#### 3.1 Qualification Framework

This is a Level 2 qualification defined with reference to the Regulated Qualifications Framework (RQF). IAB LCCI qualifications comply with level descriptors set by the regulators.

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

<b>Knowledge &amp; Understanding Descriptor</b> The learner:	<b>Skills Descriptor</b> The learner can:
<ul style="list-style-type: none"> <li>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.</li> <li>Can interpret relevant information and ideas.</li> <li>Is aware of a range of information that is relevant to the area of study or work.</li> </ul>	<ul style="list-style-type: none"> <li>Select and use relevant cognitive and practical skills to complete well-defined, generally routine tasks and address straightforward problems.</li> <li>Identify, gather and use relevant information to inform actions.</li> <li>Identify how effective actions have been.</li> </ul>

#### 3.2 Total Qualification and Guided Learning Hours

For all regulated qualifications, the total number of hours that learners are expected to undertake to complete and show achievement for the qualification is specified – this is known as the Total Qualification Time (TQT) and indicates the size of a qualification. The TQT value includes both guided learning and unsupervised

learning.

**This qualification has a TQT value of 200 hours.**

Incorporated within the TQT is the number of Guided Learning Hours (GLH) that a centre delivering the qualification is expected to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating learners, for example lectures, tutorials, online instruction and supervised study.

**This qualification has a GLH value of 150 hours.**

The GLH is provided by the IAB as a recommendation. Some learners may require more or less guidance than the set value. Centres approved to deliver IAB LCCI qualifications may adapt these as required. However, centres must assure themselves that learners are provided with adequate guidance defined by the needs of their students and that any restrictions such as funding requirements are met.

In addition to guided learning, there may be other required learning that is directed by tutors or assessors but is unsupervised. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

### 3.3 Exemptions

IAB are continuously gaining new and updated exemptions for our LCCI qualifications from professional bodies and organisations. For the latest list of agreements, and to check this specific qualification, please contact our awarding team via [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk).

## 4. Assessment

### 4.1 Assessment at a glance

IAB LCCI Level 2 Certificate in Business Calculations	
<ul style="list-style-type: none"><li>One online examination set and marked by the IAB</li></ul>	<b>100% of the total qualification</b>
<i>Overview of content</i> <ul style="list-style-type: none"><li>The small business</li><li>Wages, salaries and commission</li><li>Partnerships</li><li>Business trading documents</li><li>Currency exchange</li><li>Hire purchase and leasing</li><li>Simple and compound interest</li><li>Averages</li></ul>	
<i>Overview of assessment</i> <ul style="list-style-type: none"><li>One online examination set and marked by the IAB, contributing to 100% of the overall grade of the qualification.</li><li>The examination must be taken at approved training centres and assessment venues under controlled conditions</li><li>The examination will be 2 hours.</li><li>The examination will consist of 100 marks.</li><li>Learners will be graded Pass/Merit/Distinction. A result of Fail will be recorded where learners do not achieve the required marks for a Pass.</li><li>The examination contains 30 questions.</li><li>Learners are required to answer all questions.</li><li>The questions comprise table completion, calculations, short open-response and medium open-response questions.</li><li>Ruler, protractor, non-programmable calculator, and formula sheet may be used.</li></ul>	

- Assessment is in English language.

#### 4.2 Assessment Objectives (AO)

Assessment Objectives have been developed for this qualification to ensure that examinations are appropriately targeted. They describe the abilities that learners should be able to demonstrate. Each question targets one or more assessment objectives. They are applied to the examination in the proportions below:

Learners must:		% of qualification
AO1	<p><b>Recall</b> Recall business facts, terminology and formulae.</p>	11
AO2	<p><b>Perform procedures</b> Extract and manipulate data (e.g. putting data into cumulative terms).</p> <p>Convert figures from one form to another (e.g. currency, percentage).</p> <p>Carry out calculations relating to a business context.</p>	77
AO3	<p><b>Demonstrate understanding</b> Display and present data in tables or charts.</p> <p>Present information in appropriate format (e.g. using correct currency symbol, figures to appropriate decimal places, present ratios in correct format, indices).</p> <p>Demonstrate understanding of business processes and procedures.</p>	8
AO4	<p><b>Analyse</b> Classify and compare results of calculations.</p> <p>Interpret results from business calculations.</p> <p>Recognise patterns and correlations.</p>	4

#### 4.3 Schedule of assessments

Examinations are scheduled in advance throughout the year. Centres should refer to the published examination timetable available at [www.iablcci.org.uk/centres/](http://www.iablcci.org.uk/centres/) for scheduled examination dates.

#### 4.4 Student Entry

Learners should only be entered for an assessment when it is believed they hold the skills and knowledge expected to pass the examination. For details on how to enter learners for the examination for this qualification please contact the IAB awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk).

The closing date for entries is approximately six weeks before the start of each examination series.

#### 4.5 Delivering Assessments under controlled conditions

Examinations for this qualification will involve scenario-based questions. The questions give a business situation and ask learners to identify concepts, carry out calculations and analyse aspects of that situation. The questions are set in this way to give learners the opportunity to think about scenarios that they are likely to face in future employment.

While not all topics in the content list will be examined on every exam, it is expected that all the material will be examined at some point in the life of the specification. Learners should be prepared to answer questions on all sections of the content.

Several elements in the content section refer to 'suitable information'. This means that the scenario presented in a question will determine what that information might be. Full details of Unit content can be found in the next section.

In *Content area 1: The small business*, 'suitable information' for calculating profits would include levels of sales, amounts of overhead expenses, the cost of stock purchased for the business, and so on. The details of this will be different in each examination.

In *1.5: Job costing*, the 'different elements' of the costs of a job will include the number of staff required, their hours spent and rates of pay, the cost of materials used in a job, the cost of transport to and from a job, and so on. Again, the detail of this will be different in each examination.

In *1.7: Cash budgets*, the 'suitable information' will include sales and revenues for a business, opening and closing bank balances, apportionment of costs in particular months, details of cash and credit transactions, purchase of new machinery, recruitment of staff, and other elements that would impact on the cash position of a business.

In *Section 2: Wages, salaries and commission*, 'suitable information' will involve amounts and rates of deductions for social insurance, tax, pension contributions and other common deductions from employees' wages.

In *Section 3: Partnerships*, 'suitable information' will include amounts and proportions of investment into a partnership, to allow calculation of ratios; and amounts of profit

or loss made by a partnership, to allow calculation of individual profits or losses for individual partners.

Examinations for this qualification will use several different currencies in circulation in different countries in the world. A list of the currencies that may be used is given in the formula sheet given to learners at the start of each examination.

Learners are expected to recognise these currencies and the countries from which they originate, and to recognise and be able to reproduce their currency symbols. The examinations will not include currencies not provided in the formula sheet.

The IAB 'Assessment Delivery Policy' applies to all IAB LCCI qualifications and assessments and must be followed by accredited centres to ensure that IAB LCCI assessments are delivered in accordance with the requirements.

A copy of this Policy is made available to Centres upon accreditation approval. The Policy can also be requested from the IAB awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk).

#### 4.6 Marking and Moderation

Marking is undertaken by the IAB. Moderation is a process undertaken following the marking of assessments prior to a result being released to learners. Moderation acts as a filter, which ensures that an assessment outcome (for example a mark and / or grade) is fair, valid, and reliable. It also ensures that assessment criteria have been applied consistently, and that any differences in academic judgement between individual markers can be acknowledged and addressed. It provides consistency in marking within cohorts and throughout the academic year and is undertaken by a separate independent tutor.

#### 4.7 Achievement and grading

The IAB LCCI Level 2 Certificate in Business Calculations is certificated on a three-grade scale: Pass/Merit/Distinction. The below table illustrated the grade that will be awarded based on the percentage score achieved by the learner in the assessment.

<b>Distinction</b>	<b>Merit</b>	<b>Pass</b>	<b>Fail</b>
90% and above	75%-89%%	60%-74%%	59% and below

#### 4.8 Performance descriptors

The below table provides descriptions of required learner performance associated with each grade.

<b>Grade</b>	<b>Descriptors</b>
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Pass	<p>Learners can recall, use and apply business facts, terms, processes and formulae applicable to a small business.</p> <p>Learners can manipulate data and perform routine calculations. They can convert figures from one form to another.</p> <p>Learners can produce and understand simple data through tables and charts.</p> <p>Learners can demonstrate a basic understanding of business processes and procedures.</p>
Merit	<p>Learners can demonstrate knowledge and understanding of business processes and procedures by using and applying business facts, terms, processes and formulae in given situations.</p> <p>Learners can manipulate data and perform routine calculations and convert figures from one form to another accurately.</p> <p>Learners can produce, understand and use simple data through tables and charts.</p> <p>Learners can demonstrate an ability to analyse and interpret business data upon which decision makers can make short-term judgements.</p>
Distinction	<p>Learners can demonstrate a detailed knowledge and understanding of business processes and procedures using business facts, terms and formulae consistently and effectively in given scenarios applicable to small businesses.</p> <p>Learners can perform routine multistep business calculations. They can convert figures from one form to another consistently.</p> <p>Learners display depth of understanding of data through detailed tables and charts.</p> <p>Learners can make short-term judgements by analysing and interpreting business data.</p>

#### 4.9 Resitting the qualification

Learners can re-sit the examination for the IAB LCCI Level 2 Certificate in Business Calculations. It is strongly advised that learners do not register to undertake a re-sit

until they have received the results from their previous examination.

#### 4.10 Enquiry of results and Appeals

The IAB 'Enquiries and Appeals Policy' must be followed if a learner has an enquiry about a result or wishes to appeal against an assessment decision or reasonable adjustments or special consideration request decisions.

A copy of this Policy is made available to centres upon accreditation approval. The Policy can also be requested from the IAB awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk).

## 5. Units

### 5.1 Unit content

The following content must be covered to prepare students for the final assessment of this qualification.

#### 1. The small business

Subject content	What students need to learn:
1.1 Terminology and concepts	a) Knowledge and understanding of different terminology and concepts in operating a small business: Gross profit, profit for the year, overhead expense, cost price, selling price, sales volume, profit margin, markup, utilities, transports, advertising, processing costs, total cost, insurance, premium, fixed charges, outsourcing, claims and settlement, turnover, budget, cash flow, forecast, deposit, borrowing.
1.2 Overhead expenses	a) Understanding the similarities and differences between various overhead expenses, and how, why and when they are used and their impact on profitability.  b) Calculations involving: <ul style="list-style-type: none"> <li>• charges for utilities, including fixed charges and per use charges</li> <li>• transport costs, including running costs of vehicles, insurance, and use of couriers/outsourcing of delivery, costs per delivery/order or per kilometre travelled</li> <li>• advertising costs, including in traditional print media, television and radio, and online</li> <li>• processing costs, including banking costs, payment processing costs and online settlement systems</li> <li>• insurance costs for buildings, contents and vehicles, considering gross premiums and premiums after discount, claims and settlement.</li> </ul>
1.3 Gross profit	a) Calculation of the level of gross profit or sales required to generate a gross profit, given suitable information.  b) Calculations of: <ul style="list-style-type: none"> <li>• gross profit of a business over a period</li> <li>• gross profit as a percentage of turnover</li> </ul>

	<ul style="list-style-type: none"> <li>• selling price required to create a given gross profit amount or percentage.</li> </ul>
1.4 Profit for the year	a) Calculation of the level of profit for the year, or sales required to generate a profit for the year, given suitable information.
	b) Calculation of: <ul style="list-style-type: none"> <li>• total of overhead expenses</li> <li>• profit for the year</li> <li>• profit for the year as a percentage of turnover</li> <li>• profit for the year as a percentage of gross profit.</li> </ul>
1.5 Job costing	a) Knowledge and understanding of job costing, the different elements involved in the overall job costing and the effects these elements have on the job costing.
	b) Calculation of: <ul style="list-style-type: none"> <li>• individual elements of a job, to include materials and components, labour, services and overhead expenses</li> <li>• total costs of a job, or series of jobs</li> <li>• charge to be made by the supplier to generate a given level of profit.</li> </ul>
1.6 Online trading	a) Knowledge and understanding of the sales processes and costs involved in trading online.
	b) Calculation of: <ul style="list-style-type: none"> <li>• total of orders placed by customers online (simple principles)</li> <li>• costs of processing, to include website development and hosting, advertising and promotion, payment processing, pre-fulfilment and delivery.</li> </ul>
	c) Comparison of use of offline sales methods and online business.
1.7 Cash budgets	a) Knowledge of various factors that impact the amount of cash available within a business and ability to manipulate information about these factors to create and interpret a cash flow forecast, given suitable information. <p>Factors:</p> <ul style="list-style-type: none"> <li>• amount and period of credit offered to customers</li> <li>• amount and period of credit offered by suppliers</li> </ul>

	<ul style="list-style-type: none"> <li>• changes in sales and revenue levels</li> <li>• seasonal adjustments</li> <li>• cost of bank loans</li> <li>• availability of bank finance.</li> </ul>
	<p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>• cash flow in current trading period</li> <li>• cash flow forecast for successive periods, such as a number of future months.</li> </ul>
	<p>c) Presentation of cash budget information in correct columnar format showing net cash flow.</p>
	<p>d) Interpretation of:</p> <ul style="list-style-type: none"> <li>• requirement for borrowing for a business</li> <li>• facility for short-term deposit of funds for a business.</li> </ul>

## 2. Wages, salaries and commission

Subject content	What students need to learn:
2.1 Terminology and concepts	<p>a) Knowledge and understanding of different ways in which staff may be paid in a business: Wages, salaries, gross pay, net pay, deductions, basic rate of pay, overtime rate, piece rate, commission, bonus, tax, social insurance, pension, outsourcing, fulfilment, time and a quarter, time and a half, double time, basic pay.</p>
2.2 Gross/net wages and salaries	<p>a) Knowledge and understanding of gross and net wages, given suitable information about deductions.</p> <p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>• an employer's overall salary/wage cost</li> <li>• number of hours worked by an employee, basic rate of pay, overtime pay</li> <li>• gross pay for a period, or number of hours, or for output of workers on piece rate</li> <li>• total of deductions from gross pay, including tax, insurance, and pension</li> <li>• net pay using figures for gross pay and total deductions</li> <li>• ratio of net pay to gross pay.</li> </ul> <p>Learners may be required to complete a payslip.</p>

2.3 Commission	a) Knowledge and understanding of different bases on which commission can be calculated. These are commission based on number of units sold, or value or goods sold, and commission at one rate for an initial number of sales, with higher or lower rate payable for additional sales.
	b) Calculation of: <ul style="list-style-type: none"> <li>• commission payments to staff, based on percentage of sales, graduated commission, and quantity commission</li> <li>• sales generated, based on commission earned</li> <li>• changes to gross pay due to commission earned, in nominal and percentage terms.</li> </ul>
2.4 Fulfilment	a) Knowledge and understanding of different options available to businesses to perform fulfilment, administrative or customer service functions.
	b) Calculation of costs of outsourcing to complete business-related tasks, which include manufacture, packaging and delivery of products, sales and finance
	c) Comparison of use of outsourcing to payment to own staff.

### 3. Partnerships

Subject content	What students need to learn:
3.1 Terminology and concepts	a) Knowledge and understanding of different terminology and concepts in partnership businesses: Partners, profit, capital accounts, interest on capital, division of profit, withdrawal, distribution, dissolution.
3.2 Capital	a) Knowledge and understanding of capital invested in a partnership by different partners, given suitable information.  b) Calculation of: <ul style="list-style-type: none"> <li>• additions to or withdrawals from capital</li> <li>• interest on partners' capital</li> </ul>

	<ul style="list-style-type: none"> <li>profit available for distribution</li> </ul>
3.3 Division of profit	<p>a) Knowledge and understanding of different methods for dividing profits or losses of a partnership, given suitable information (in equal amounts, in proportion to capital invested).</p> <p>b) Calculations involving:</p> <ul style="list-style-type: none"> <li>division of profit in equal amounts</li> <li>division in proportion to capital invested, including explanation of advantages and disadvantages of such division to different partners</li> <li>adjustment of profits where one or more partners is employed within the business</li> <li>total income received by a partner from interest, distribution and salary.</li> </ul>

#### 4. Business trading documents

Subject content	What students need to learn:
4.1 Terminology and concepts	<p>a) Knowledge and understanding of different documents used in a business to support sales and their appropriate use:</p> <ul style="list-style-type: none"> <li>Retail, wholesale</li> <li>Order, invoice, credit note, statement</li> <li>Trade discount, cash discount, profit margin, online, amounts payable, amounts receivable, output, settlement, balance, delivery, sales tax.</li> </ul>
4.2 Trading documents	<p>a) Produce different documents used in a business to support sales, including calculation of amounts payable or receivable.</p> <p>b) Preparation and presentation of:</p> <ul style="list-style-type: none"> <li>orders, including value of an order, based on quantities and prices; time required to complete an order, based on daily or weekly output and quantity ordered; delivery costs</li> <li>invoices, including value of orders, trade discount as a percentage of total invoice value, and invoice total after discount</li> <li>credit notes, considering returns from customers, including</li> </ul>

	<p>delivery costs</p> <ul style="list-style-type: none"> <li>statements, based on a series of orders, including cash discount for early settlement, and total balance outstanding, and overdue amounts.</li> </ul>
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## 5. Currency exchange

Subject content	What students need to learn:
5.1 Terminology and concepts	<p>a) Knowledge and understanding of how exchange of currencies can impact a business: Currency, rate of exchange, depreciation, appreciation, commission, currency denomination.</p>
	<p>b) Knowledge of currencies in circulation in various parts of the world.</p>
5.2 Rate of exchange	<p>a) Knowledge and understanding that the rate of exchange between any two currencies may vary over time. Knowledge and understanding that the price of internationally traded goods may increase or decrease over time.</p>
	<p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>conversion of an amount of one currency to another currency at a stated exchange rate</li> <li>exchange rate between currencies based on equal values of the two currencies</li> <li>commission charged by agencies for conversion</li> <li>comparison of amounts of currency converted at different rates of exchange and at different times.</li> </ul>

## 6. Hire purchase and leasing

Subject content	What students need to learn:
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6.1 Terminology and concepts	a) Knowledge and understanding of diverse types of purchase and leasing arrangements available to businesses: Hire purchase, credit purchase and leasing arrangements, Deposit, balance, interest charge, instalment, early settlement, default.
6.2 Hire purchase	a) Calculation of: <ul style="list-style-type: none"> <li>• amount of deposit as percentage of cash price</li> <li>• amount of interest charged on balance outstanding</li> <li>• total amount to be repaid, and monthly or periodic instalment payments to be made</li> <li>• number of instalments to be made</li> <li>• alterations due to early settlement</li> <li>• Calculation of assets, understanding that the goods are the property of the customer following hire purchase completion.</li> </ul>
6.3 Credit purchase	a) Calculation of: <ul style="list-style-type: none"> <li>• amount of interest payable</li> <li>• amount to be paid in monthly or periodic instalments</li> <li>• number of instalments to be made</li> <li>• amount of final payment</li> <li>• total amount to be paid</li> <li>• assets, understanding that the goods are the property of the customer once the credit purchase agreement has been signed and the customer has possession of the goods.</li> </ul>
6.4 Leasing	a) Calculation of: <ul style="list-style-type: none"> <li>• amount to be paid in monthly or periodic instalments</li> <li>• number of instalments to be made</li> <li>• assets, understanding that the goods are not the property of the customer following the leasing agreement</li> <li>• additional payments which may be required at the end of a leasing agreement.</li> </ul>
6.5 Comparison	a) Understanding of how to compare different arrangements.
	b) Comparison and explanation of: <ul style="list-style-type: none"> <li>• different purchase and leasing arrangements</li> <li>• advantages and disadvantages of particular sets of terms, although only in financial terms</li> <li>• impact of early settlement</li> <li>• impact of non-payment.</li> </ul>

## 7. Simple and compound interest

Subject content	What students need to learn:
7.1 Terminology and concepts	a) Knowledge and understanding of different terminology and concepts in simple and compound interest: Principal, rate of interest, loan, investment, period, withdrawal, repayment.
7.2 Calculating interest	<p>a) Knowledge and understanding of the differences between simple and compound interest and their uses within a business environment.</p> <p>b) Knowledge and understanding of how interest impacts loans and investments in terms of adding or removing value over time.</p> <p>c) The relationship between amount of interest, amount of principal, rate of interest paid or chargeable and the period of a loan or investment.</p> <p>d) Ability to select the correct formula for simple or compound interest.</p> <p>e) Ability to rearrange the simple interest formula given to make principle, rate or time the subject.</p> <p>f) Ability to rearrange the compound interest formula given to make principal or rate the subject.</p> <p>g) Calculation of:</p> <ul style="list-style-type: none"> <li>• amount of interest paid/payable after a single period or a number of complete periods</li> <li>• in the case of simple interest only, the rate of interest used in arriving at a given amount of interest</li> <li>• principal borrowed or invested, given the interest paid/payable over a given time.</li> <li>• in the case of simple interest only, the number of periods for which the principal was invested/borrowed, given the amount and rate of interest paid/payable.</li> </ul>
7.3 Comparison	<p>a) Calculations involving:</p> <ul style="list-style-type: none"> <li>• comparison between amounts of simple and compound interest payable on an investment or loan</li> <li>• comparison of interest where compounding occurs over different periods, such as annual, quarterly or monthly compounding, involving only whole numbers of periods.</li> </ul>

## 8. Averages

Subject content	What students need to learn:
8.1 Terminology and concepts	a) Knowledge and understanding of different types of mathematical average: Estimated mean, median, mode, modal class, median class, frequency, range, weighted average.
8.2 Averages	a) Knowledge and understanding of the uses of different averages.  b) Calculations involving: <ul style="list-style-type: none"> <li>• sum and number of given quantities</li> <li>• identification of the interval containing the median value in a grouped frequency example</li> <li>• ordering of data to determine median value</li> <li>• average (mean) of given data, which may be an estimated average (mean) in a grouped frequency example</li> <li>• identification of mode or modal class</li> <li>• multiplication of components of each class by a factor reflecting their importance to achieve a weighted average.</li> </ul>
8.3 Presentation of findings	a) Knowledge and understanding of the ways in which findings can be presented.
	b) Presentation of: <ul style="list-style-type: none"> <li>• tabulated data, to indicate median, mode or range including estimated values</li> <li>• graphical presentation of data, to include bar charts, pie charts, scatter graphs, stem and leaf diagrams and histograms, dealing with equal class intervals.</li> </ul>

## 6. Delivering IAB Qualifications

### 6.1 Staffing and physical resource requirements for Centres

The IAB, in line with regulatory requirements, has a Centre Agreement in place which covers the two-way obligations between the IAB as the Awarding Body and each centre delivering our LCCI qualifications. A key section of this agreement is to ensure a professional approach to the delivery of teaching, learning and assessment, leading to the best learner experience.

Each Centre engaged with the IAB LCCI is required to ensure viable levels of staffing, managerial and financial resources are in place to enable it to effectively and efficiently deliver the Qualifications as required by the Awarding Organisation.

### 6.2 Quality assurance

Any centre approved to offer IAB LCCI qualifications is subject to a rigorous quality assurance regime to ensure compliance with the requirements set out in the Centre Agreement and any regulatory conditions. This regime includes but is not limited to policy and procedure review, performance review, on-site monitoring visits and virtual interviews to assess how well that centre operates in delivering learning for IAB qualifications.

## 7. IAB Policy & Procedure

Policies and Procedures are in place to provide a framework and outline the IAB's approach and objectives for key areas along with defined processes to be followed. These documents ensure credibility, compliance, consistency, and quality in the design, delivery, and awarding of LCCI qualifications. Relevant policies are issued to accredited centres alongside Centre Agreements. These can also be accessed by contacting our awarding team via [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

Examples of the Policies that can be found include but are not limited to:

- Adverse Effects
- Anti-Bribery and Anti-Corruption
- Assessment Delivery
- Complaints
- Conflict of interest
- Contingency Plan
- Enquiries and appeals
- Equality & Diversity and Inclusion
- Malpractice & Maladministration
- Plagiarism, Collusion and Cheating
- Reasonable Adjustments
- Recognition of Prior Learning
- Results and Certification
- Sanctions
- Special Considerations
- Withdrawal of approval

Centres delivering LCCI qualifications should refer to the relevant Policy for guidance as appropriate.

## 8. Equality and Diversity

The IAB is committed to ensuring an inclusive, safe and welcoming environment for all learners undertaking its qualifications. Our Equality, Diversity and Inclusion Policy requires all learners to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every learner.

Accredited centres delivering LCCI qualifications must have a Policy relating to equal opportunities, diversity and inclusion to ensure a positive learning environment is provided to all learners. This is reviewed and assessed as part of our monitoring process which may include on-site inspections.

### 8.1 Reasonable Adjustments and Special Considerations

A **reasonable adjustment** request can be made where a person with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A **special consideration** takes into account a circumstance such as temporary injury, illness or other indisposition at the time of the examination/assessment, which has had, or is likely to have had, a material effect on a learner's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information and guidance on how to apply can be found in the relevant IAB Policy and Procedure as detailed in Section 7 of this Specification.

## 9. Support, training and resources

### 9.1 Training

The IAB offers support to teachers on standard of delivery and preparing learners to meet the assessment requirements.

### 9.2 Specifications, Sample Assessment Materials and Teacher Support Materials

The IAB LCCI Level 2 Certificate in Business Calculations Sample Assessment Materials are available from the IAB.

In addition, a glossary of terms including International Accounting Standards terminology used in the content of the IAB LCCI suite of qualifications can be found in the centre area of our website or by contacting the IAB.

Please contact our awarding team via [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) for a list of all the support documents available.

## 10. Appendix

### Appendix 1: Formula Sheet

#### *Currencies*

The following currencies may appear in the examination paper:

British pound sterling (£) Euro (€)

Thai baht (฿) Myanmar kyat (K) Malaysian ringgit (RM) South Korean won (₩)  
Philippines peso (₱) US dollar (\$) Australian dollar (AU\$) Singapore dollar (S\$)  
Brunei dollar (B\$) Indonesian rupiah (Rp) Japanese yen (¥) Canadian dollar (C\$)

#### **Simple interest**

Simple interest = (Principle \* Rate \* Time) / 100

#### **Compound interest**

Accrued interest = Principal \* (1 + Rate/100)<sup>n</sup>

where n is the number of years

#### **Averages**

Mean of ungrouped data = sum of observations / N

Mean of grouped data =  $(\sum f * x) / N$

$\sum f$  is the sum of the frequencies

x is the midpoint of each class interval

N is the total number of observations

Median of an observed list of N observations is the  $(n+1) / 2$  element.

Mode is the most frequently occurring value.

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