



IAB LEVEL 2 CERTIFICATE IN COMPUTERISED BOOK- KEEPING (Qualification Accreditation Number 500/3079/6)

INTRODUCTION

The overall aim of this qualification is to accredit candidates' knowledge and understanding of the fundamental principles concerned in the use of a computerised accounting system using commercially available software. The qualification is non-software specific.

Within the qualification, candidates have the opportunity to gain knowledge of basic computerised book-keeping routines concerning the documentation and processes related to making and receiving payments. They will gain an initial insight into both cash and credit business transactions, VAT and other computerised routines.

The qualification requires candidates to understand those transactions, which are necessary for the setting up and entering of day-to-day transactions into a computerised accounting system including the processing of business documents and the correction of errors. Accuracy, integrity and security of data should always be uppermost in the candidates mind.

Candidates may use this qualification as the basis of further study of computerised accounting systems and use it as underpinning knowledge for the study of the IAB Level 3 Diploma in Accounting and Advanced Book-keeping and also progress to the IAB Level 3 Diploma in Computerised Accounting.

To be awarded the full qualification, candidates are required to successfully demonstrate their competence by means of an external examination. It will also provide progression to the NVQs in Accounting at Levels 2 and 3 Candidates will receive acknowledgement of successful completion of the qualification.

Examination Specification:

The Examination of this qualification will take the form of a formal, externally marked, examination of 2 hours duration. The examination may take place during set examination periods throughout the year or by an 'on-demand' sitting with eight weeks notice being given to the IAB.

An Answer Book will be provided with lined paper, for candidates to prepare hand written answers to the theory task and to act as a cover for the printouts from the software. Some of the transactions within the examination paper will be presented in a 'dummy document' or 'business transaction' format.

Candidates will be required to complete all Tasks.

CERTIFICATION

All candidates who achieve a Pass grade will receive a Certificate for the successful completion of IAB Level 2 Certificate in Computerised Book-keeping.

**UNIT SPECIFICATION
IAB LEVEL 2 CERTIFICATE IN COMPUTERISED BOOK-KEEPING**

SINGLE UNIT TITLE: (IAB Code CB2) Book-keeping to Trial Balance using Accounting Software

Aim

Upon the completion of study for this qualification, it is intended that the candidate will be able to:

- Understand the business and computer environment
- Set up the system
- Create and maintain accounts and enter opening balances
- Enter transactions into the Sales and Purchase Ledgers
- Enter transactions into the Nominal Ledger
- Produce management information relating to customers and suppliers
- Carry out reconciliations to verify information generated
- Produce Reports using selection criteria and parameters

Prior Knowledge and Skills Requirements

Before starting a course of study or training leading to the assessment for this qualification, it is assumed and is advisable that the candidate has already acquired the knowledge and skills as specified in the IAB Level1 Certificate in Computerised Book-keeping and the Level 2 Certificate in Book-keeping.

Learning Outcome	Assessment Criteria
1 Understand the business and computer environment	<p>Understand Health and Safety Regulations where they relate to working in a safe environment with a computer or VDU.</p> <p>Understand the need to carry out visual safety checks when starting up the computer system.</p> <p>Understand the effects of:</p> <ul style="list-style-type: none"> • Fire damage • Disk corruption and rotation • Secure and Off Site storage • Anti-virus and Firewall safety software <p>Understand the necessity for retaining up to date copies of the data entered and how the data's integrity can be verified.</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Take back-up copies of data • Restore copies of date • Explain how integrity of the information can be verified <p>Understand and appreciate the need for complete confidentiality of customer, supplier and company information at all times.</p>
2 Set up the system	<p>Understand how the computer software is operated and amended to show relevant company information.</p> <p>Understand and be able to explain the use of passwords to protect the system and the data entered.</p>
Learning Outcomes	Assessment Criteria
2 Set up the system (continued)	Be able to:

	<ul style="list-style-type: none"> • Set up company details such as company name • Change Financial Year • Change Program Date
3 Create and maintain accounts and enter opening balances	<p>Be able to:</p> <ul style="list-style-type: none"> • Initialise the system, for a sole trader, with the company details, financial year, VAT system • Set up opening Assets, Liabilities and Capital • Set up and maintain up to date and accurate records and account details by creating, amending and deleting records as necessary, from information provided. • Enter opening balances for Customers and Supplier Accounts • Enter opening balances in the Nominal Ledger • Produce routine reports using correct selection of criteria and parameters.
4 Enter transactions into the Sales and Purchase Ledgers	<p>Be able to:</p> <ul style="list-style-type: none"> • Maintain up to date and accurate records and account details in the Sales and Purchase Ledgers by creating, amending and deleting records as necessary. • Enter details from Sales and Purchase invoices and credit notes, including VAT transactions, • Allocate cheque and cash paid and received to the correct customer or supplier account, including part payment, payments made on account and payments taking account of credit notes. • Allocate monies received by automatic transfer, to the correct account using the account reference or nominal code, date, reference and amount. • Account for discounts received and allowed. • Accurately and speedily update accounts and records • Deal with Bad Debts, Contra Entries, and Returned Cheques • Reconcile the Customer and Supplier Accounts with the relevant Control Accounts • Make simple corrections to Sales and Purchase Ledger accounts
5 Enter transactions into the Nominal Ledger	<p>Be able to maintain up to date and accurate account details by creating, amending and deleting records as necessary.</p> <p>Be able to deal with transactions using the Bank and Cash Accounts:</p> <ul style="list-style-type: none"> • Deal with recurring payments and receipts such as direct debits, standing orders etc. • Deal with cash or cheque payments for sales and purchases made on a non-credit basis • Correctly calculate the VAT amount, where the gross amount is given and the rate of VAT paid, for both payments and receipts. <p>Be able to use the Journal, understanding the need for the debits and credits to balance:</p> <ul style="list-style-type: none"> • Record the Purchase of new fixed assets • Make simple corrections to Nominal Ledger accounts. • Produce routine reports using correct selections criteria and parameters e.g. Trial Balance, Nominal Account Activity reports. • Record goods taken by the owner for own use where VAT is not involved
Learning Outcomes	Assessment Criteria
5 Enter transactions in the	Be able to enter details from wages and salary information provided

Nominal ledger (continued)	including; <ul style="list-style-type: none"> • Gross Wages and salaries • Net Wages and salaries • Statutory Deductions owed to the HM Revenue & Customs • Payments to the Collector of Taxes • Non-statutory deductions
6 Produce management information relating to Customers and Suppliers	Understand the need to keep customer and supplier accounts up dated. Understand the need to produce a range of reports indicating the current position of customer and supplier accounts Be able to: <ul style="list-style-type: none"> • Produce Account History reports, Aged Debtor and Aged Creditor printouts, Statements, Remittance Advices, cheques and overdue letters • Produce routine reports using correct selection criteria and parameters. • Identify overdue amounts owed by Customers and amounts due for payment to Suppliers
7 Carry out Reconciliations to verify information generated	Be able to: <ul style="list-style-type: none"> • Complete a Bank Reconciliation • Identify the amount of VAT owed to or by HMRC
8 Produce Reports using selection criteria and parameters	Be able to produce routine reports using correct selection criteria and parameters: <ul style="list-style-type: none"> • Customer and Supplier Address Lists • Customer and Supplier Activities • Aged Debtors and Creditors Analyses • Trial Balance • Nominal Account Activities • Audit Trail • Bank Reconciliation/Reconciled and Un-reconciled transactions

UNIT ASSESSMENT

Candidates may sit the Examination of this Unit on either the specific dates set and published by the IAB or on dates set by Centres on an 'On-demand' basis.