



## **IAB LEVEL 3 DIPLOMA IN COMPUTERISED ACCOUNTING (Qualification Accreditation Number 500/3023/1)**

### **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 computerised accounting and advanced book-keeping routines concerning the procedures and routines related to completion and entry of advanced business transactions and the preparation of period end reports. They will gain a further insight into VAT and other computerised reconciliation routines.

The qualification requires candidates to understand those transactions, which are necessary for the setting up and entering of an existing company into a computerised accounting system including the processing of opening balances for debtors and creditors, an opening Trial Balance 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 4 Diploma in Accounting, and qualifications offered by other book-keeping and accounting bodies.

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 Level 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 30 minutes 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 narrative and list format giving batches of information as well as a 'diary' of transactions undertaken.

**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 3 Diploma in Computerised Accounting.

## UNIT SPECIFICATION

### IAB LEVEL 3 DIPLOMA IN COMPUTERISED ACCOUNTING

#### SINGLE UNIT TITLE: (IAB Code CB3)

#### Accounting and advanced book-keeping 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 and enter opening balances
- Enter advanced transactions
- Deal with entries specific to Partnerships
- Make accounting adjustments
- Complete period end procedures
- Produce period end management Reports
- Carry out year end routines

##### 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 Level 2 Certificate in Computerised Book-keeping and the Level 3 Diploma in Accounting and Advanced 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"><li>• Fire damage</li><li>• Disk corruption and rotation</li><li>• Secure and Off Site storage</li><li>• Anti-virus and Firewall safety software</li></ul> <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"><li>• Take back-up copies of data</li><li>• Restore copies of date</li><li>• Explain how integrity of the information can be verified</li></ul> <p>Understand and appreciate the need for complete confidentiality of customer, supplier and company information at all times.</p>
2 Set up the system and enter opening balances	<p>Understand and demonstrate by means of printouts, 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

<p>2 Set up the system and enter opening balances(continued)</p>	<p>Be able to:</p> <ul style="list-style-type: none"> <li>• Set up company details such as company name</li> <li>• Change Financial Year</li> <li>• Change Program Date</li> </ul> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Set up an existing business (outstanding Customer and Supplier invoices, credit notes and payments of account) and a Trial Balance</li> <li>• Edit the Chart of Accounts for a variety of business types e.g. Sole Trader, Limited Company and Partnership.</li> <li>• Set up Budget figures.</li> </ul>
<p>3 Enter advanced transactions</p>	<p>Be able to:</p> <ul style="list-style-type: none"> <li>• Reconcile and adjust a Trial Balance on computer with that supplied by an Accountant</li> <li>• Carry out correction of errors</li> <li>• Extract management information in accordance with given criteria and parameters</li> </ul> <p>Be able to account for Fixed Assets:</p> <ul style="list-style-type: none"> <li>• The purchase and recording of Fixed Assets including Hire Purchase/loans</li> <li>• The Provision for Depreciation in both the Profit and Loss Account and Balance Sheet</li> <li>• The Disposal of Fixed Assets, including 'Trade-In'</li> </ul> <p>Be able to enter payments and receipts from information provided:</p> <ul style="list-style-type: none"> <li>• Credit card payments including any relevant charges</li> <li>• Hire Purchase transactions</li> <li>• Capital Loan repayments</li> <li>• Interest payments on loans</li> <li>• Drawings</li> </ul>
<p>4 Deal with entries specific to Partnerships</p>	<p>Be able to enter details from information provided relating to the activities of the partners:</p> <ul style="list-style-type: none"> <li>• Enter relevant transactions into partners Current Accounts e.g. interest on drawings, drawing, interest on capital, partners salaries</li> <li>• Enter relevant transactions into partners Capital Accounts e.g. injection of new capital, removal of capital</li> </ul>
<p>5 Make accounting adjustments</p>	<p>Be able to complete period end adjustments:</p> <ul style="list-style-type: none"> <li>• The calculation and entry for bad debts including the recovery of bad debts</li> <li>• Make provision for doubtful debts</li> <li>• Calculate and enter prepayments</li> <li>• Calculate and enter accruals</li> <li>• Enter the Stock Valuation</li> </ul>

Learning Outcomes	Assessment Criteria
6 Complete period end procedures	Be able to: <ul style="list-style-type: none"> <li>• Complete period end procedures such as Bank Reconciliation including making adjustments to the Bank Account</li> <li>• Complete the reconciliation of the VAT Accounts for completion of the VAT Return</li> <li>• Transfer VAT Control Account balances to a VAT liability account</li> <li>• Produce routine and non-routine reports relevant to VAT</li> </ul>
7 Produce period end management reports	Be able to produce a series of routine and non-routine Reports to show the trading situation of the business using correct selection criteria and parameters: <ul style="list-style-type: none"> <li>• Audit Trail</li> <li>• Account Activity at a specific date</li> <li>• Period Trial Balance</li> <li>• Period Profit and Loss Account</li> <li>• Period end Balance Sheet</li> </ul> Be able to analyse and comment on the various Reports: <ul style="list-style-type: none"> <li>• Compare the Actual figures with those from the Budget</li> <li>• Compare the Actual figures with those from the Prior Year</li> <li>• Carry out Ratio Analysis</li> </ul>
8 Carry out year end routines	Understand the procedures to adopt at the end of the financial year  Be able to produced a series of routine and non-routine Reports to show the trading situation of the business, at the year-End, using correct selection criteria and parameters: <ul style="list-style-type: none"> <li>• Year End Account Activity</li> <li>• Year End Trial Balance</li> <li>• Year End Profit and Loss Account</li> <li>• Year End Balance Sheet</li> </ul> Be able to prepare the system for the start of the next financial year.

**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.