IAB LEVEL 2 CERTIFICATE IN COMPUTERISED ACCOUNTING FOR BUSINESS (QCF)

(Qualification Accreditation Number **500/9621/7**

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QUALIFICATION SPECIFICATION

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Level 2 Certificate in Computerised Accounting for Business (QCF)

1 Introduction

This qualification is part of the Qualification and Credit Framework (QCF), which became fully operational in September 2010. Qualifications within the framework are made up of units and each unit is given a credit value, where one credit represents 10 hours of learning time. The title of every qualification within the new framework will contain details of the size (award/certificate/diploma), level of difficulty (Entry to level 8) and general content of the qualification.

It is anticipated that the majority of providers engaging with the QCF will be in a position to obtain a Unique Learner Number (ULN) and this should have been evidenced through the completion of the IAB Supplementary QCF accreditation of centres Application Form. It is a condition of operating within the QCF that this document has been fully completed and accepted by the IAB, for any QCF qualifications which have been publically funded. This will confirm that providers are in a position to generate a ULN, which in turn will allow the successful completion of any QCF unit or qualification to be transferred to each individual Personal Learner Record. A key aim of the Personal Learner Record is to improve the flow of information about learners from schools to other education providers and ultimately employers, leading to more effective data sharing and better decision making.

Once the course fees have been paid and the learner registered, they will get a full copy of the latest version of Sage 50 Accounts Professional, which will be time limited for them to use for the duration of their course. This means the learner can work at home and ensures they are up to date with the latest software developments.

The learner will also receive a Sage/IAB workbook that covers the full course. The workbook includes not only the practical work using Sage software, but also the underpinning bookkeeping knowledge to cover the learning required for coverage of the knowledge units. There are an abundance of screen shots from the software, so they can see what processes they should be doing and how that relates to accounting standards.

Learners studying without being attached to an IAB accredited training centre should contact the IAB for further information.

2 Aims

In summary, the IAB Level 2 Certificate in Computerised Accounting for Business aims to:

1   Act as further understanding of financial record keeping using Sage accounting software within a double-entry accounting system.

2   Give candidates the necessary skills to assess their own competence in carrying out a range of day-to-day computerised accounting routines and activities using Sage software. The activities will include entry of business transactions, and routine basic bookkeeping tasks including the posting to ledgers and the preparation and use of journals.

3   To assess their understanding of the importance of maintaining accuracy, security and data integrity in performing any bookkeeping tasks using Sage software as their computerised accounting system.

4   Give candidates a greater understanding of the capabilities of the software and how it can enable better financial management and control of a business

5   Enable candidates to progress in their learning to further develop their knowledge, understanding and skills of dealing with financial transactions by:

- To gain a Sage competence certificate at this level
- Completing the units necessary to receive the Level 2 Certificate in Applied Bookkeeping or L2 Certificate in Bookkeeping (competence)
- Undertaking further studies of bookkeeping and accounting routines, both manually and using Sage software, at Level 3

3 Links to National Occupational Standards

Direct relationship based on NOS for Accountancy and Finance FA-1, FA-2 and FA-3.

4 Target groups

The IAB Level 2 Certificate in Computerised Accounting for Business is aimed at individuals who wish to further their studies of computerised accounting within a working business environment and gain a qualification at Level 2 of the National Framework from a point of no previous knowledge or having achieved the IAB Level 1 Award in Computerised Accounting for Business. It could also be used by those candidates who have some practical knowledge and skills and wish to gain an accredited qualification in the subject.

Owners of small businesses may also find this qualification useful as it gives coverage of the basic use of Sage software, suitable for the production of small business accounts.

5 Statement of level

This is a level 2 qualification as defined within the regulations of the Qualification and Credit Framework.

6 Entry requirements

There are no formal entry requirements for the level 2 Certificate in Computerised Accounting for Business. However it is recommended that prospective candidates will already have basic skills in numeracy, information technology and literacy prior to embarking on a course of study for this qualification. The successful completion of the IAB Level 1 Award in Computerised Accounting for Business (QCF), would allow natural progression to this level 2 equivalent qualification.

7 Progression
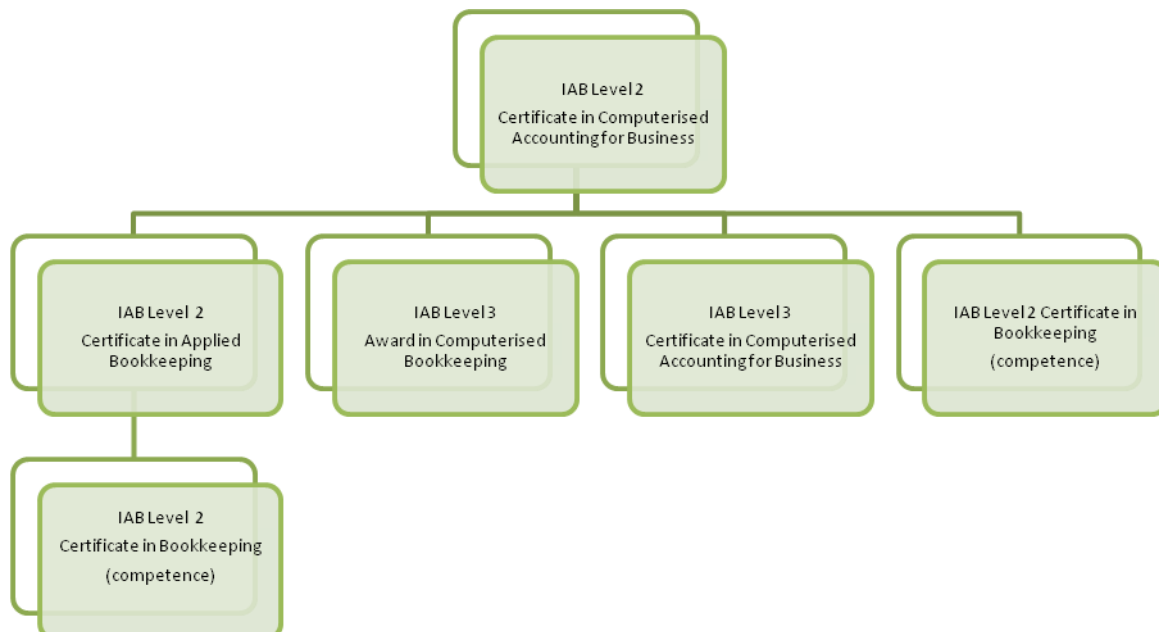
8 Qualification Structure

To achieve this qualification, all the **mandatory** units consisting of 13 credits must be achieved. The accreditation number, level and credit value of each unit is as follows:

Mandatory units

Principles of recording and processing financial transactions - A/600/8756 (level 2 – 2 credits)
Professional values and basic business legislation - F/600/8757 (level 2 – 1 credit)
Banking procedures - A/600/8739 (level 1 – 1 credit)
Basic principles of costing – Y/600/4925 (level 2 – 4 credits)
Principles of VAT – F/600/4952 (level 3 – 2 credits)
Computerised Accounting Software – J/502/4402 (level 2 – 3 credits)

9 Assessment and Grading

It is anticipated that this qualification will be undertaken within the work place and if this is the case then the assessment will be Work Based. However, it is possible for this qualification to be taken within the classroom environment and as such assessment can consist of knowledge tests and simulation exercises. The IAB will provide any knowledge tests and simulation exercises can be extracted from the Sage/IAB resources which are provided on registration for the qualification with the IAB. Learners will also have access to a learner evidence and assessment log. This document includes details of all the units and their respective Learning Outcomes and Assessment Criteria and must be completed through either a portfolio of evidence or a combination of knowledge tests and a portfolio.

It is the responsibility of the accredited centre to appoint a professionally competent Assessor/Tutor to ensure that there is sufficient evidence to cover all the Learning Outcomes and associated Assessment Criteria for all the units which are needed to pass the qualification. It is not necessary for the Assessor/Tutor to hold a recognised Assessor award.

On successful completion of the units for this qualification, it is expected that the centre will engage in internally verifying the portfolios of evidence and knowledge tests (if applicable) and be prepared to forward to the IAB at least 20% of the completed work for external moderation

Internal verification of knowledge tests and portfolios

It is the responsibility of the accredited centre to appoint a suitably experienced and qualified person to act as the internal verifier. It is not necessary for this individual to hold a recognised Assessor or Internal Verifier award. The IAB do need to be assured

that at least 25% of assessment has been internally moderated and in any batch of portfolios or knowledge tests forwarded for external moderation, the IAB would expect to see some evidence of internal verification.

External moderation of knowledge tests and assignments

It is the responsibility of each centre to choose a cross section of portfolios and knowledge tests (if applicable) for moderation by the IAB. The IAB would expect to see a mix of completed assessments which are representative of the overall quality from that particular group of learners. If the centre has any doubt about which portfolios (and knowledge tests) to send for external moderation they should contact the Education Department of the IAB.

The units for this qualification are assessed through the following methods:

Unit	Assessment
Mandatory	
Principles of recording and processing financial transactions	**Knowledge tests/work based evidence**
Professional values and basic business legislation	
Banking procedures	
Basic principles of costing	
Principles of VAT	
Computerised Accounting Software	**Simulation/work based evidence**

To successfully complete the qualification the candidate must pass each of the above **Mandatory** elements of assessment with all units being graded as Pass or Fail. It is the assessor's responsibility to ensure that there is sufficient evidence for all the Assessment Criteria to be covered and this will be confirmed through Internal Verification and External Moderation. Should any of the knowledge tests be undertaken then a minimum of 70% is required to pass.

10 Certification

On successful completion of all the mandatory units listed above, the learner will receive a certificate to confirm the achievement of the Level 2 Certificate in Computerised Accounting for Business (QCF). The certificate will include the full name and accreditation number of the qualification and the award of pass.

Learners may request a certificate for the successful completion of each unit of the qualification on payment of a unit certificate fee. The certificate will include the full title and accreditation number of the unit, the credit value and level of the unit.

The learner will also receive a certificate from Sage confirming their competence in the use of Sage accounting at level 2.

The award of credit and the successful completion of the accredited qualification will be transferred to an individual's Personal Learner Record, if applicable.

11 Reasonable Adjustments and Special Consideration policy and procedure

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

12 Enquiries and Appeals procedure

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

13 Units with Learning Outcomes and Assessment Criteria

Mandatory

PRINCIPLES OF RECORDING AND PROCESSING BUSINESS TRANSACTIONS – A6008756 Credit value: 2 Level 2	
Learning Outcomes	**Assessment criteria**
1 Understand the role of the books of prime entry	1.1 Outline the purpose, content and format of the books of prime entry 1.2 Outline the purpose and content a range of business documents to include: • petty cash voucher • invoice • credit note • remittance Advice 1.3 Identify when authorisation is required 1.4 Explain how transactions are entered in the following books of prime entry: • sales and sales returns day books • purchase and purchase return day books • cash book • petty cash book
2 Understand the principles of coding	2.1 Describe the need for a coding system for financial transactions within a double entry book-keeping system 2.2 Describe the use of coding within a filing system.
3 Understand the double-entry bookkeeping system	3.1 State the accounting equation 3.2 Explain how the accounting equation relates to a double entry book-keeping system 3.3 Outline how the books of prime entry integrate with double entry book-keeping system 3.4 Explain how to process financial transactions from the books of prime entry into the double entry book-keeping system 3.5 Define, and distinguish between, capital income and capital expenditure. 3.6 Define, and distinguish between, revenue income and revenue expenditure

4 Understand the various types of discount	4.1 Explain the difference between settlement, trade and bulk discount
	4.2 Describe the effect that settlement discount has on the sales tax (e.g. VAT) charged
5 Understand the use of the Journal	5.1 Describe the reasons for maintaining a Journal
	5.2 Describe the content and format of the Journal
	5.2 Give examples of the types of transactions that might be entered into the bookkeeping system by using the Journal: • bad debts • wages/salaries • PAYE/NIC liability • opening balances
6 Understand control accounts	6.1 Describe the purpose of control accounts as a checking device to aid management and help identify book-keeping errors
	6.2 Describe the specific purpose of the following control accounts: • sales ledger • purchase ledger • sales tax account (e.g. VAT)
	6.3 Explain why it is important to reconcile the Sales and Purchase ledger control accounts regularly
	6.4 Describe the usefulness of an aged debtor analysis for monitoring debtors
	6.5 Explain the need to deal with discrepancies quickly and professionally

PROFESSIONAL VALUES AND BASIC BUSINESS LEGISLATION - F6008757 **Credit value: 1 Level: 2**	
Learning Outcomes	**Assessment criteria**
1 Understand the importance of Integrity and professionalism	1.1 Explain why each of the following professional values is important to a book-keeper: • confidentiality • security of data • competency • duty of care • integrity
	1.2 Explain why it is important for a book-keeper to comply with the Code of Ethics of a professional body

2	Understand that legislation exists relating to the workplace	2.1 Explain the importance of maintaining security over computerised and manual information held on individuals or businesses
		2.2 Identify and describe principles of data protection including: • adequate, relevant and not excessive • not kept longer than necessary • not transferred to countries without adequate data protection laws
		2.3 Describe the main duties and responsibilities of employers and employees under health and safety legislation
3	Know the fundamental principles of money laundering legislation	3.1 Define the term 'money laundering'
		3.2 Give examples of offences under the money laundering regulations
		3.3 Outline the risks for book-keepers associated with the money laundering legislation
		3.4 Identify internal procedures that businesses can introduce to lessen risks
		3.5 Outline the requirements to report suspicions of money laundering to the appropriate authorities

BANKING PROCEDURES – A6008739

Credit value: 1 **Level: 1**

Learning Outcomes	Assessment criteria
1 Understand the banking process	1.1 Identify the main services offered by banks and building societies
	1.2 Describe how the banking clearing system works
	1.3 Identify different forms of payment which include: • cash • cheques • credit cards • debit cards • direct payments
	1.4 Identify the information required to ensure the following payments are valid: • cash • cheque • credit card • debit card
	1.5 Describe the processing and security procedures relating to the different forms of payments

2 Understand document retention and storage requirements.	2.1 Explain why it is important for an organisation to have a formal document retention policy
	2.2 Identify the different types of documents that may be stored

BASIC PRINCIPLES OF COSTING   Y6004925

Credit value: 4   Level: 2

Learning Outcomes	Assessment criteria
1 Demonstrate an understanding of the cost recording system within an organisation	1.1 Explain the nature of the organisation's business transactions in relation to its accounting systems 1.2 Explain the purpose and structure of a costing system within an organisation 1.3 Describe the relationship between the costing and accounting systems within the organisation 1.4 Identify sources of income and expenditure information for historic, current and forecast periods
2 Recognise the component parts of a cost recording system and how it operates	2.1 Identify materials, labour and expenses and explain how they are classified and recorded 2.2 Explain fixed, variable and semi-variable overheads 2.3 Identify types of cost and profit centres 2.4 Explain different methods of coding data 2.5 Identify different types of stock • Raw materials • Part-finished goods (work in progress) • Finished goods 2.6 Explain different methods of stock valuation (FIFO, LIFO and weighted average) 2.7 Explain methods for calculating payments for labour

PRINCIPLES OF VAT − F6004952	
Credit value: 2 Level: 3	
Learning Outcomes	**Assessment criteria**
1 Demonstrate an understanding of current VAT regulations	1.1 Identify sources of information on VAT
	1.2 Explain the relationship between the organisation and the relevant government agency
	1.3 Explain the VAT registration requirements
	1.4 Identify the information that must be included on business documentation of VAT registered businesses
	1.5 Recognise different types of inputs and outputs
	1.6 Identify how different types of supply are classified for VAT purposes
	1.7 Explain the requirements and the frequency of reporting for the following VAT schemes • Annual accounting • Cash accounting • Flat rate scheme
	1.8 Recognise the implications and penalties for the organisation resulting from failure to abide by VAT regulations including late submission of VAT returns

COMPUTERISED ACCOUNTING SOFTWARE − F5024401	
Credit value: 3 Level: 2	
Learning Outcomes	**Assessment criteria**
1 Access, enter and edit accounting information	1.1 Describe the sources and characteristics of accounting data
	1.2 Set up and create new accounting data records accurately to meet requirements
	1.3 Locate and display accounting data records to meet requirements
	1.4 Check data records meet needs using IT tools, making corrections as necessary
	1.5 Respond appropriately to data entry error messages

		1.6 Describe the risks to data security and procedures used for data Protection 1.7 Apply local and/or legal guidelines for the storage and use of data
2	Select and use tools and techniques to process business transactions	2.1 Select and use appropriate tools and techniques to process Transactions 2.2 Review the transaction process and identify any errors 2.3 Respond appropriately to any transaction errors and problems 2.4 Select and use appropriate tools and techniques to process period end routines
3	Produce accounting documents and summary reports to meet requirements	3.1 Describe what information is required and how to present it 3.2 Prepare and generate accounting documents 3.3 Prepare and generate management reports as required 3.4 Import and export data and link to other systems and software