

QCF BOOKKEEPING & ACCOUNTING (MANUAL UNITS)

HINTS AND TIPS TO IMPROVE PERFORMANCE

Following assessment of the initial batches of candidate scripts for the new QCF Bookkeeping & Accounting unit assignments, the Chief Co-ordinator has compiled a list of points to note for future teaching and learning. We hope these will be useful.

Level 1

Unit M1 - Preparing and Processing Bookkeeping Documents

- Ensure names and addresses are carefully entered and correctly spelt.
- Ensure Product code and description details are entered correctly.
- Ditto marks are not acceptable.
- Ensure correct unit price is entered and calculations are accurate.
- Check addition of sub-total **before** calculating VAT.
- Ensure percentage rate of VAT is entered, for example: 20%.
- Ensure VAT is accurately calculated.
- Ensure 'Reason for return' is entered on credit notes.
- Clearly state the reason why documents cannot be processed by giving exact details of the fault incurred. 'Incorrect calculations' is not sufficient or acceptable, details of the fault should be clearly stated.

Unit M2 - Recording Credit Transactions

- Account names must be correctly spelt.
- Documents should be entered in the order they are listed on the assignment, this will ensure that none are overlooked.
- Ditto marks are not acceptable.
- All columns must be totalled. Cross casting analysis column totals will often reveal any errors.
- End of month date against Day Book totals is frequently omitted – ensure this is included.

Unit M3 - Making and Receiving Payments

- Ensure notes and coins totals are accurately calculated and displayed to two decimal places.
- Each cheque must be entered separately on the back of the bank paying in slip clearly stating the company name. Two cheques from the same company **should not** be added together.
- Cash request slip should consist of the **least number** of notes and coins.
- Payee is frequently omitted on the cheque – ensure this is included
- Ensure the amount in words on cheque is correctly spelt.
- Ensure date and payee is entered on cheque counterfoil.

Unit M4 - Recording Receipts and Payments

- Ensure balances brought down are entered at the correct side of the cash book. Cash Balance brought down entered at the debit side, overdrawn Bank balance brought down entered at the credit side.
- Dates for cheques received: **banked** date must be entered **not** cheque date.
- Cheques received: business name must be entered not signatory on cheque.
- Amounts for cash sales and VAT must be entered separately.
- Cheques paid to creditors: full name of creditor must be entered and cheque number.
- Amounts for cash purchases and VAT must be entered separately.
- Totals at both sides of the cash book must be parallel with each other.
- Bank balance to carry down is frequently entered at the incorrect side of the cash book.
- Enter items from Bank Statement with correct reference, SO, DD, BACS, BGC, CHAPS. Dates can be either Bank Statement transaction date or last day of the month.
- **Bank reconciliation statement** must commence with candidate's balance brought down in the cash book

Unit M5 - Maintaining Petty Cash Records

- Ensure full details of items purchased are entered and correctly spelt on petty cash vouchers.
- Check calculations for VAT are accurately calculated.
- Petty cash book: all analysis columns must be totalled. Cross casting analysis column totals will often reveal any errors.
- Petty cash reimbursement request: ensure amount for cheque is accurate, often amount of balance brought down is entered.

Level 2

Unit M6 - Preparing and Recording Financial Documentation

- Ensure names and addresses are carefully entered and correctly spelt.
- Ensure Stock code and description details are entered correctly.
- Ensure correct unit price is entered and calculations are accurate.
- Check addition of sub-total **before** calculating Trade discount.
- Ensure percentage rate of VAT is entered.
- Ensure VAT is accurately calculated.
- Clearly state the reason why documents cannot be processed by giving exact details of the fault incurred. 'Incorrect calculations' is not sufficient or acceptable, details of the fault must be clearly stated.
- Correct narratives must be used, for example: 'Bank' not cheque.
- Ensure amount in words on cheque is correctly spelt.

Unit M7 - Maintaining and Reconciling the Cash Book

- Ensure balances brought down are entered at the correct side of the cash book. Cash Balance brought down entered at the debit side, overdrawn Bank balance brought down entered at the credit side.
- Dates for cheques received: **banked** date must be entered **not** cheque date.
- Cheques received: business name must be entered **not** signatory on cheque.
- Amounts for cash sales and VAT must be entered separately.
- Cheques paid to creditors: full name of creditor must be entered and cheque number.
- Amounts for cash purchases and VAT must be entered separately.
- Totals at both sides of the cash book must be parallel with each other.
- Bank balance to carry down is frequently entered at the incorrect side of the cash book – ensure this is correctly entered
- Enter items from Bank Statement with correct reference, SO, DD, BACS, BGC, CHAPS. Dates can be either Bank Statement transaction date or last day of the month.
- **Bank reconciliation statement -**
- Must commence with candidate's balance brought down in the cash book
- Indicate overdrawn bank balance by entering O/D after amount.

Unit M8 - Processing Ledger Transactions and Extracting a Trial Balance

- Account names must be correctly spelt.
- Correct narratives must be used, for example: 'purchases' not goods, 'purchase returns' not credit note, 'bank' not cheque.
- Account totals must be parallel with each other.
- Ensure totals and balances are accurately calculated.
- Accounts with a zero balance should not be entered into Trial Balance.
- Trial Balance column headings – DR and CR are frequently omitted.

Unit M9 - Maintaining Control Accounts

- Account names must be correctly spelt.
- Correct narratives must be used, for example: 'sales' not goods, 'sales returns' not credit note, 'bank' not cheque.
- Account totals must be parallel with each other.
- Ensure totals and balances are accurately calculated.
- Narrative 'equals balance on sales ledger control account' is frequently omitted on Debtors' list – ensure this is included.
- Narrative 'equals balance on purchase ledger control account' is frequently omitted on Creditors' list – ensure this is included.

Unit M10 - Maintaining the Journal

- Enter business name, heading with date and column headings DR and CR.
- Frequently, debit and credit entries are reversed. A useful procedure is to make preliminary entries in 'T' accounts - this will enable candidates to see the practical effect of their actions.
- Each journal entry must have a narration that explains the reason why the entry was required.
- Always total both columns of the trial balance **before** calculating suspense account entry.