

**LEVEL 2 AWARD IN BOOKKEEPING AND ACCOUNTING SKILLS (MANUAL) MARKING GUIDANCE**  
**M7 Maintaining and Reconciling the Cash Book**

DETAILS		FAULT AREAS	FAULT TYPE
<p>Candidates will be allowed 1 hour to complete this assessment</p> <p><b>VAT Rates:</b> The Standard Value Added Tax (VAT) rate in use in this assignment will be stated in the assignment. VAT rounding up or down to the nearest 1p will be accepted without penalty.</p> <p><b>Note:</b> Monetary amounts <b>MUST</b> be shown to <b>2 decimal places</b>.</p> <p>It is recommended that candidates approach the tasks in the order in which they are listed in the assignment.</p>			
<b>ENTER OPENING BALANCES, RECEIPTS AND PAYMENTS INTO CASH BOOK</b>			
Enter Cash and Bank Opening Balances	Candidate to enter date, narrative and amounts into appropriate columns	Date incorrect or omitted Amount incorrect or omitted Amount entered into incorrect column Narrative incorrect or omitted Amount entered at incorrect side of cash book Opening balance omitted	T N C C C T/N/C
Enter Receipts	Enter details of receipts and VAT, calculating cash discount where appropriate Candidate to enter date, narrative and amount of cheque/cash into appropriate columns. Amount of cash discount must be calculated and entered into the appropriate column Candidate to differentiate between customer receipts and cash sales Enter VAT as a separate entry where appropriate	Date incorrect or omitted Narrative incorrectly spelt Amount of cheque or cash incorrect or omitted Amount of discount incorrect or omitted Narrative incorrect or omitted Transaction entered at incorrect side of cash book Receipt or VAT entry omitted	T T N N C C T/N/C

**FAULT TYPES:**      T = Textual Accuracy      N = Numerical Accuracy      C = Conceptual Accuracy

Enter Payments	Enter details of payments and VAT, calculating cash discount where appropriate Candidate to enter date, narrative, cheque number, amount of cheque/cash and cash discount into appropriate columns Candidate to differentiate between supplier payments, expense payments and cash purchases Enter VAT as a separate entry where appropriate	Date incorrect or omitted Narrative incorrectly spelt Cheque number incorrect or omitted Amount of cheque or cash incorrect or omitted Amount of discount incorrect or omitted Narrative incorrect or omitted Transaction entered at incorrect side of cash book Payment or VAT entry omitted	T T T N N C C T/N/C
<b>TOTAL AND BALANCE CASH BOOK AND TOTAL DISCOUNT COLUMNS</b>			
Total Cash and Bank Columns	Candidate must balance the cash and bank columns at the end of the month, ensuring that both balances are brought down ready to update the cash book, still dated as the last day of the month	Date incorrect or omitted Totals not parallel Amount of cash balance to carry down incorrect or omitted Amount of bank balance to carry down incorrect or omitted Total cash incorrect or omitted Total bank incorrect or omitted Cash balance brought down incorrect or omitted Bank balance brought down incorrect or omitted Narrative incorrect or omitted Cash balance to carry down entered at incorrect side of cash book Bank balance to carry down entered at incorrect side of cash book Cash balance brought down entered at incorrect side of cash book Bank balance brought down entered at incorrect side of cash book	T T N N N N N N N C C C C C
Total Discount Columns	Candidate must total both discount columns	Total discount allowed inaccurate or omitted Total discount received inaccurate or omitted	N N

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<b>RECONCILE CASH BOOK WITH BANK STATEMENT</b>			
Reconcile Cash Book with Bank Statement and Update the Cash Book	Candidate must identify payments and receipts that appear on the bank statement that need to be entered into the cash book Candidate must make entries to update the cash book. Enter details of payments and receipts identified on the bank statement into the cash book, using the month end date and the correct narrative. The bank statement reference must be added where applicable Bank payments: eg standing order, direct debit, Clearing House Automated Payment Services (CHAPS), fund transfers Bank receipts: eg Bank Giro Credit (BGC), Bankers' Automated Clearing Services (BACS), Clearing House Automated Payment Services (CHAPS), fund transfers	Date incorrect or omitted	T
		Bank statement references incorrect or omitted	T
		Direct debit (DD) figure inaccurate or omitted	N
		Standing order (SO) figure inaccurate or omitted	N
		Bank giro credit (BGC) figure inaccurate or omitted	N
		Clearing house automated payment services (CHAPS) figure inaccurate or omitted	N
		Bankers' automated clearing services (BACS) figure inaccurate or omitted	N
		Bank transfer figure inaccurate or omitted	N
		Bank charges figure inaccurate or omitted	N
		Direct debit, standing order, BGC, CHAPS, BACS, bank transfer or bank charges figure entered at incorrect side of cash book	C
Balance Updated Cash Book	Candidate must balance the bank columns of the cash book and recalculate the bank balance brought down, ensuring that the balance is brought down on the first day of the following month. <b>Note:</b> This balance may be an overdrawn amount	Date incorrect or omitted	T
		Totals not parallel	T
		Amount of bank balance to carry down incorrect or omitted	N
		Totals incorrect or omitted	N
		Balance brought down incorrect or omitted	N
		Narrative incorrect or omitted	C
		Balance to carry down entered at incorrect side of cash book	C
		Balance brought down entered at incorrect side of cash book	C

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<b>COMPLETE BANK RECONCILIATION STATEMENT</b>			
Complete Bank Reconciliation Statement	Candidate to date the bank reconciliation statement as at the last day of the month	Date incorrect or omitted	<b>T</b>
	Enter balance as per cash book	Unpresented cheques entered as bank lodgements	<b>C</b>
	Identify unpresented cheque(s) and enter the amounts individually and as a total	Bank lodgements entered as unpresented cheques	<b>C</b>
	Enter sub total calculation	Balance as per cash book incorrect or omitted	<b>N</b>
	Identify lodgement(s) not yet entered on the bank statement and enter individually and as a total	List or total of unpresented cheque(s) incorrect or omitted	<b>N</b>
	Enter balance as per bank statement	Sub total calculation incorrect or omitted	<b>N</b>
	<b>Note:</b> the cash book balance may be an overdrawn amount	List or total of bank lodgement amount(s) incorrect or omitted	<b>N</b>
		Balance as per bank statement incorrect or omitted	<b>N</b>

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