

LEVEL 2 AWARD IN BOOKKEEPING AND ACCOUNTING SKILLS (COMPUTERISED) MARKING GUIDANCE
C3 Process Routine Payments and Receipts using a Computerised System

DETAILS		FAULT AREAS	FAULT TYPES
<p>Failure to Process: When candidates fail to process, they will be penalised as if the task had been completed, but all elements are incorrect, ie, one fault per missing component.</p> <p>Nominal Accounts: This assignment is not software specific. Candidates must use the nominal accounts specified. They must not create or amend or use any other nominal accounts unless instructed to do so.</p> <p>Descriptive Text: Candidates are expected to enter a brief descriptive text for each transaction.</p> <p>VAT Codes: Various VAT rates will be included in the assignment: standard rate (the standard VAT% will be stated in the assignment), zero rated VAT, VAT exempt, 5% VAT and 'not liable to VAT'.</p> <p>Candidates must use the VAT Code/Rate shown on the transaction. Candidates who use an incorrect VAT Code will be penalised with a concept penalty for each incorrect code.</p> <p>Note: Centres must ensure that the VAT rates noted above are all available on their centre software.</p>			
PROCESS PETTY CASH AND CASH PAYMENTS AND RECEIPTS			
Petty cash vouchers	<p>Petty cash vouchers, at least one of which will be a petty cash receipt.</p> <p>Vouchers may contain two items analysed to different nominal accounts or attracting different VAT Rates. Candidates must process to each nominal account individually.</p> <p>Candidates to calculate the VAT, when given the VAT rate and gross amount.</p> <p>Candidates are expected to enter a brief descriptive text.</p>	<p>Date incorrect</p> <p>Reference incorrect or omitted</p> <p>Descriptive text completely omitted</p> <p>Net, VAT and gross amounts incorrect</p> <p>Transaction type incorrect</p> <p>Nominal account incorrect</p> <p>Bank account incorrect</p> <p>VAT code incorrect</p>	<p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>

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

Cash vouchers	Cash vouchers, comprising cash payments and cash receipts. Candidates to calculate the VAT, when given the VAT rate and gross amount. Candidates are expected to enter a brief descriptive text.	Date incorrect Reference incorrect or omitted Descriptive text completely omitted Net, VAT and Gross amounts incorrect Transaction type incorrect Nominal account incorrect Bank account incorrect VAT code incorrect	T T T N C C C C
PROCESS BANK PAYMENTS AND RECEIPTS			
Payments and receipts	The transactions will attract varying VAT rates and be analysed across a variety of nominal accounts. Candidates to calculate the VAT, when given the VAT rate and gross amount. Candidates are expected to enter a brief descriptive text.	Date incorrect Reference incorrect or omitted Descriptive text completely omitted Net, VAT and Gross amounts incorrect Transaction type incorrect (bank/cash/transfer) Nominal account incorrect Bank account incorrect VAT code incorrect	T T T N C C C C
SET UP AND PROCESS RECURRING ENTRIES			
Set up recurring entries	Recurring entries: standing orders, direct debits and credit transfers. One payment is for a loan repayment and involves extracting the interest amount from loan repayment and analysing it to the appropriate overhead loan interest account. This may be entered as two recurring entries or the loan interest may be transferred by journal entry. Note: Loans are not liable to VAT and loan interest is exempt for VAT purposes. Candidates are expected to process transactions using the correct date and an appropriate reference (DD, SO etc) and brief descriptive text.	Date incorrect Missing or inappropriate reference Descriptive text completely omitted Net, VAT and Gross amounts incorrect Transaction type incorrect Nominal account incorrect Bank account incorrect VAT code incorrect	T T T N C C C C
Process entries	Candidates must process the recurring entries. Note: failure to process recurring entries results in the examiner's inability to evidence candidates' transactions and text, numeric and concept penalties will be incurred for every missing transaction.	Omitted or duplicated recurring entries	T/N/C

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PROCESS ERROR CORRECTIONS			
Error corrections	Error corrections will include bank, cash and petty cash transactions, testing form the following error correction routines: Incorrect nominal account, incorrect bank account, incorrect reference, incorrect date, incorrect VAT rate and incorrect amount (net, VAT and gross). To minimise processing errors, candidates should be encouraged to use the software's error correction facility.	Date incorrect Reference incorrect or omitted Net, VAT and gross amounts incorrect Nominal account incorrect Bank account incorrect VAT code incorrect	T T N C C C
RESTORE AND/OR INCREASE PETTY CASH IMPREST			
Restore and/or increase petty cash float	Candidates should use the software's transfer facility to restore the petty cash imprest (float). Candidates are expected to calculate the amount required to restore or increase the petty cash float, enter the correct amount, reference, date and narrative.	Date incorrect Reference incorrect or omitted Descriptive text completely omitted Incorrect amount Transaction type incorrect Bank account incorrect	T T T N C C
PROCESS SALARY JOURNAL			
Salary journal	The Salary Journal is for the current accounting month. Candidates are expected to post gross wages & salaries, statutory deductions, payments to the collector of taxes and non-statutory deductions to the overhead area and to post net wages & salaries, PAYE, NI contributions and non-statutory deductions to the current liabilities (short term) area. Candidates must add a brief descriptive text.	Date incorrect Reference incorrect or omitted Descriptive text completely omitted Amounts incorrect Transaction type incorrect (Dr/Cr) Nominal account incorrect VAT code incorrect Salary journal omitted	T T T N C C C T/N/C

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BANK RECONCILIATION			
Bank reconciliation	<p>Bank statement reconciliation date is last day of accounting period.</p> <p>The statement will contain a variety of adjustments for payments, including a standing order, direct debit and clearing house automated payment services fund transfers (CHAPS).; bank receipts by bankers automated clearing services (BACS), bank giro credit (BGC), credit transfer and CHAPS.</p> <p>The adjustment nominal account will be clearly marked as part of the adjustment text. Candidates must not create any new nominal accounts for these adjustments as the relevant accounts will be in the nominal list.</p> <p>Candidates are expected to enter the correct adjustment date and an appropriate reference (DD, CT, CHAPS etc) and brief descriptive text. After the transactions are matched, candidates must mark them as reconciled.</p> <p>Please note: The reference 'ADJ', and detail 'Adjustment Posting' for each bank adjustment is not acceptable.</p> <p>Candidates who fail to complete the reconciliation or fail to process adjustments will be penalised for each missing step in the reconciliation and for each missing adjustment.</p> <p>Candidate processing is evidenced by a bank statement and various other reports.</p>	<p>Adjustment date incorrect</p> <p>Reference inappropriate or omitted</p> <p>Descriptive text inappropriate or omitted</p> <p>Adjustment amount incorrect</p> <p>Adjustment nominal account incorrect</p> <p>Adjustment type incorrect (BR/BP)</p> <p>Adjustment VAT code incorrect</p> <p>Transactions not flagged as reconciled</p> <p>Bank reconciliation omitted or duplicated</p>	<p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>T/N/C</p>

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REPORTS

It is important that candidates use the correct date range and ensure all accounts and processing details requested are included in their printouts. They should **not** add criteria for nominal account references to their report window as this often results in missing transaction data in the printed report. Missing transaction data cannot be evidenced and as a result your candidate may fail the assignment.

It is vital that candidates realise the importance of submitting **all** printouts in the requested format. It is through printouts that their processing can be evidenced. Failure to submit sufficient printouts may result in candidates failing the assignment. Please ask candidates to submit printouts in the order in which they are requested.

Please note: A selection of routine reports will be requested and can be varied from one assignment to another.

Various reports	<p>Reports are used to evidence all payments and receipts, error corrections and transaction processing.</p> <p>They may include any of the following:-</p> <ul style="list-style-type: none"> Bank receipts day book Bank payments day book Cash receipts day book Cash payments day book Bank, cash and petty cash activity reports Reconciled and unreconciled transaction report Bank statement Nominal account activity report Audit trail Trial balance 	<p>Missing or incomplete report</p> <p>Incorrect date range</p> <p>Omitted transactions required for evidence will be penalised as if not entered</p>	<p>C</p> <p>C</p> <p>T/N/C</p>
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