QCF BOOKKEEPING & ACCOUNTING (COMPUTERISED 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 C1 - Record Routine Bookkeeping Transactions using a Computerised System

- Names, addresses, contact and telephone information should be carefully entered and correctly spelt.
- Ensure newly created nominal accounts use the correct coding and are correctly spelt.
- Ensure that the correct dates, references and nominal accounts are used for the purchase and sales invoices and credit notes. **NOTE: Batch totals are no longer provided in the assignments.**
- Detail for each invoice and credit note should show the name of the nominal account used, not the detail of the item(s) purchased.
- The exact amount of VAT must be checked and amended if the centre software rounds VAT differently to that shown in the assignment.
- Ensure that the correct bank or cash account is chosen for each customer receipt and supplier payment, allocating the amounts as directed in the assignment.
- Customer receipts must use the 'date of banking' the cheque, not the cheque date. The PAY number, not the cheque number must be entered as the reference.
- Any version of the letter requesting payment of an overdue invoice will be accepted, provided it requests payment and shows the invoice date, reference and amount due either printed or added manually. **NOTE: the date of the actual letter will not be penalised, as some versions of software print the actual date of assignment completion and not the program date.**
- Payment of the overdue supplier invoice must use the cheque reference sequence already in use.
- Ensure that all error corrections are completed. They will usually include an incorrect amount (both net and VAT), an incorrect account, either customer or supplier, and a change of reference if the change of account is for a supplier.
- The Bank Reconciliation will not include bank adjustments, but there will be items on the system which will not appear on the bank statement provided in the assignment and they should not be reconciled. Reconciled transactions must be flagged as such when the reconciliation is saved, or a blank bank statement will be printed.
- Reports requested may vary but care should be taken to ensure the correct date ranges requested are used for the various reports.

Unit C2 - Prepare and Record Sales and Purchase Documents using a Computerised System

- Names, addresses, trade discounts and default nominal accounts should be carefully entered and correctly spelt where applicable.
- Ensure amended nominal account names are correctly spelt.
- Purchase invoices and credit notes should be accurately entered using the correct date, reference and nominal account.
- Details for each purchase invoice and credit note should show the name of the nominal account used, not the detail of the item(s) purchased.
- The exact amount of VAT on purchase invoices and credit notes must be checked and amended if the centre software rounds VAT differently to that shown in the assignment.
- Before creating service invoices, ensure that the software 'Auto numbering' is unlocked and the 'Default invoice format' is set to 'Service Invoice' (via Settings).
- When creating the service invoices and credit notes, ensure that correct use is made of the accounting software. In most recent versions of software, the quantity and unit price MUST be entered via an 'Edit Item Line' window, accessed by a grey arrow at the end of the detail line on the face of the invoice. It is not necessary to type the unit price with the detail unless your software does not provide the 'Edit Item Line' facility.
- The customer order number should not be entered on the face of the invoice but via the 'Order Details' Tab under 'Customer Order No'; it will then be printed on the face of the invoice.
- Printed invoices and credit notes MUST show both the unit price and the discount, either as an amount or as a percentage.
- VAT will be accepted if 1p different for service invoice and credit notes, as some accounting software rounds differently to that in the assignment and candidates will not be able to amend the automatic settings.
- An Update Ledger Report may not be requested in the assignment but the ledgers must be updated. Candidates should be encouraged to check all dates, references, order numbers and spelling before updating the ledgers as changes may not be made after this has been activated. **Note: if invoice or credit note spelling needs correcting, this must be done in both the 'Description' and 'Detail' line in the 'Edit Item Line' window. Changes on the face of the invoice will not activate the changes for all reports.**
- Ensure that correct allocation is made for each customer receipt and supplier payment as requested in the assignment.
- Customer receipts must use the 'date of banking' the cheque, not the cheque date. The PAY number, not the cheque number must be entered as the reference.
- Ensure that petty cash payments and receipts are entered with the correct VAT code for 'standard', 'zero rated', 'exempt' or 'not liable to' VAT and that the VAT content of the gross amount is calculated. The candidate's own VAT amounts will be accepted provided the correct VAT rate has been used.
- The cheque used for the transfer of an amount to restore the imprest to the petty cash account must give the correct cheque reference in sequence to that already in use in the assignment.
- Reports requested may vary but care should be taken to ensure the correct date ranges requested are used for the various reports.

Level 2

Unit C3 - Process Routine Payments and Receipts using a Computerised System

- Ensure that the correct bank, cash or petty cash account is accessed and that the correct payment or receipt option is used for all payments and receipts. **Note: no VAT amounts are provided in this unit and the VAT content must be calculated from the gross amount using the VAT rate applicable.**
- The correct amount to restore and increase the imprest to the petty cash account must be calculated.
- Information regarding the type of transaction of all recurring entries will be given in the assignment and these should be used as the references eg DD, SO, CT etc. All VAT rates will be stated in the assignment.
- The recurring entries will include a split loan or mortgage repayment, each part of which will attract a different VAT rate: 'Not liable to VAT' for the loan repayment and 'Exempt VAT' for the loan interest payment. This double entry may be made as two separate recurring entries or the loan may be entered as a recurring entry and the loan interest entered by a journal transfer to the loan interest account.
- In the Salary Journal, care should be taken with Employer's NI, entering it as a debit in the Employer's NI account and totalled with the Employee's NI in the total NI liability account. A voluntary contribution such as a private pension contribution or a holiday fund will be included in the salary details.
- The Bank Reconciliation will include transactions not on the system, which must be entered as bank adjustments. The references from the bank statement should be used as the references for these adjustments (DD, CHAPS, BACS etc), with the detail showing information regarding the reason for each transaction.
  Note: 'ADJ – Adjustment Posting' for each bank adjustment is not acceptable.
- Reports requested may vary but care should be taken to ensure the correct date ranges requested are used for the various reports. Some reports may request only one month's transactions included in the report, others may include ALL transactions.

Unit C4 - Setting Up Accounting Software to Manage Accounting Information using a Computerised System

- The company name and any other requested company information should be carefully entered and correctly spelt.
- Names, addresses, contact and telephone information should be carefully entered and correctly spelt.
- Customer and supplier invoices and credit notes should use the correct reference and date and be entered via the opening balance option in the customer or supplier 'Record' screen. Payments on account should be entered via the bank in the usual way.
- Missing nominal accounts, balances and budgets where appropriate should be entered via the nominal 'Record' screen. When all nominal balances have been entered correctly, the balance in the 'Suspense Account' will disappear.
- Ensure that the correct bank or cash account is chosen for each customer receipt, income receipt, supplier payment and expense payment, allocating the amounts as directed in the assignment.
- Ensure that the correct allocation of customer receipts and supplier payments is made as requested; these will include settlement discount and allocation of previous 'Payments on Account', in addition to the types of allocation already in use at Level 1.
- Customer receipts must use the 'date of banking' the cheque, not the cheque date. The PAY number, not the cheque number must be entered as the reference.

- The correct VAT rate must be used to calculate the VAT content of the gross amount for income receipts and expense payments.
- Ensure the bank transfer amount to increase the cash account balance is accurately calculated.
- Ensure that when processing allocation of a credit note against an invoice before the contra entry is processed, that only the credit note amount is allocated and NO cheque amount is generated automatically by the software. The amount of allocation should be entered manually against the relevant invoice.
- Ensure that the requested date is used for both the 'returned cheque' and the 'bad debt' entry.
- Ensure that the correct VAT code is used for the journal entries. Standard or zero rated goods may be included as part of a journal question and the relevant entries should reflect this. Note that all bank transactions will be 'Not liable to VAT'.
- Reports requested may vary, but care should be taken to ensure that the correct date ranges requested are used for the various reports. Some reports may request only one month's transactions included in the report, others may include ALL transactions.

Unit C5 - Carry Out Stock Control Processes using a Computerised System

- Ensure that all new stock details are entered or amended accurately.
- Ensure that the correct 'cost price' is entered for adjustment of 'stock in'.
- Ensure that all Sales Order and Purchase Order amendments are made accurately and in their entirety, including changes in carriage charges.
- Ensure that the 'delivery address' is entered for the sales or purchase order requested and that it is printed on the relevant Order.
- Ensure that the correct 'Partial Despatch' of a Sales Order is made if requested and does not include an extra item of stock entered earlier in the assignment, as an amendment to the order.
- Ensure that 'Part delivery' of a Purchase Order is made for the correct item of stock and that either a 'Goods Received Note' or 'Delivered Purchase Order Report' is printed if requested.
- Ensure that the correct credit note number is used for Credit Note entry.
- The ledgers must be updated after invoice generation and credit note entry.
- Reports requested may vary, but care should be taken to ensure the correct date ranges requested are used for the various reports.
- Ensure that Sales Order and Purchase Order Status Reports are submitted as well as Sales and Purchase Order Lists if requested.