

Unit Title:	Preparing and recording financial documentation
OCR unit number:	M6
Level:	2
Credit value:	2
Guided learning hours:	16
Unit reference number:	J/600/8758

Unit purpose and aim

The purpose of this unit is to develop learners' skills in processing financial documents. This involves preparing and recording the necessary documents to be sent to customers as well as processing payments received. It also involves processing and recording documents received from suppliers and preparing payments for suppliers.

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
<p>The learner will:</p> <p>1 Prepare the financial documents to be sent to credit customers</p>	<p>The learner can:</p> <p>1.1 Use different source documents to prepare sales invoices and credit notes</p>	<p>Use information from:</p> <ul style="list-style-type: none"> • Company details • Customer details • Stock lists • Purchase orders • Goods returned notes <p>Enter the correct:</p> <ul style="list-style-type: none"> • Company name and address • Company VAT registration number • Customer name and address • Invoice/credit note date • Invoice/credit note number • Purchase order reference number • Stock quantity • Stock unit price • Cash settlement discount amount

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	<p>1.2 Calculate relevant sales tax (eg VAT), trade discount and settlement discount</p> <p>1.3 Produce statements of account to be sent to credit customers</p>	<p>Calculate:</p> <ul style="list-style-type: none"> • Net price • Trade discount • Settlement discount • Value Added Tax • Invoice/credit note total amount due <p>Post:</p> <ul style="list-style-type: none"> • Invoice/credit note information from the Day Books to the relevant Sales Ledger accounts <p>Use information from:</p> <ul style="list-style-type: none"> • Customer sales ledger accounts • Customer payments • Discount allowed to customers
<p>2 Enter sales invoices and credit notes into the appropriate books of prime entry</p>	<p>2.1 Code sales invoices and credit notes</p> <p>2.2 Enter invoices and credit notes into the books of prime entry</p>	<p>Enter:</p> <ul style="list-style-type: none"> • Invoice/credit note date • Customer document or sales ledger reference <p>Enter into the relevant day books:</p> <ul style="list-style-type: none"> • Invoice/credit note date • Customer name • Net amount • VAT amount • Total amount
<p>3 Process payments from customers</p>	<p>3.1 Check the accuracy and validity of receipts against relevant supporting information</p>	<p>Check the accuracy of:</p> <ul style="list-style-type: none"> • Customer cheque payments • Customer cash payments • Customer bank transfers • Electronic transfers • Customer trade discount • Customer settlement discount <p>Use information from:</p> <ul style="list-style-type: none"> • Customer accounts • Customer details

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	<p>3.2 Identify and deal with any discrepancies</p> <p>3.3 Enter settlement discounts to relevant customer accounts</p>	<p>Identify and deal with:</p> <ul style="list-style-type: none"> • Cheque detail inaccuracies • Discrepancies between receipt amount and customer transaction details • Incorrect calculation of bulk, trade or cash discount <p>Enter:</p> <ul style="list-style-type: none"> • Payment details in customer account • Settlement discount in customer account
<p>4 Process suppliers' invoices and credit notes</p>	<p>4.1 Check the accuracy of supplier invoices and credit notes against purchase orders, goods received and delivery notes</p>	<p>Use information from:</p> <ul style="list-style-type: none"> • Company details • Supplier details • Stock lists • Purchase orders • Goods received notes • Delivery notes <p>Check:</p> <ul style="list-style-type: none"> • Supplier name and address • Company name and address • Invoice/credit note date • Invoice/credit note number • Purchase order information • Goods received note information • Delivery note information • Stock reference • Stock quantity <p>Check:</p> <ul style="list-style-type: none"> • Bulk unit price • Trade discount • Settlement discount • Value Added Tax • Invoice/credit note total amount due

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	4.2 Check agreed trade, bulk and settlement discounts where appropriate	Identify: <ul style="list-style-type: none"> • Stock item • Stock quantity • Stock bulk unit price • Trade discount • Settlement discount received • VAT calculations • Invoice/credit note calculations • Stock delivery status
5 Enter supplier invoices and credit notes into the appropriate books of prime entry	5.1 Code supplier invoices and credit notes 5.2 Enter supplier invoices and credit notes into the books of prime entry	Enter: <ul style="list-style-type: none"> • Invoice/credit note date • Supplier document or purchase ledger reference Enter into the relevant day books: <ul style="list-style-type: none"> • Invoice/credit note date • Supplier name • Net amount • VAT amount • Total amount
6 Prepare payments to suppliers	6.1 Reconcile supplier statements 6.2 Calculate the payments due to suppliers from relevant documentation	Post: <ul style="list-style-type: none"> • Invoice/credit note information from the Day Books to the relevant Purchase Ledger accounts Reconcile statements using information from: <ul style="list-style-type: none"> • Supplier statements • Purchase Ledger • Delivery Notes Complete: <ul style="list-style-type: none"> • Supplier reconciliation statements identifying any inaccuracies Calculate: <ul style="list-style-type: none"> • Balance on supplier account • Supplier cash discount offered

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	6.3 Prepare remittance advices to accompany payments to suppliers	Use information from: <ul style="list-style-type: none"> • Purchase Ledger accounts • Supplier cash discount information Prepare: <ul style="list-style-type: none"> • Remittance advice notes • Supplier payments by cheque, cash or bank/electronic transfer

Assessment

Assessment will consist of candidates completing a 2 hour assignment set and marked by OCR. There will be 10 minutes reading time before the 2 hour assignment starts. The assignment may be taken at any time convenient to the centre and the candidate, but must be taken under examination conditions.

Results will be graded Pass or Fail.

Evidence requirements

Candidates must complete the assignment for this unit within the stated fault tolerances in order to satisfy the evidence requirements.

Guidance on assessment and evidence requirements

All elements included in the 'Knowledge, understanding and skills' section can be included in the assignment may vary from one assignment to another.

Details of relationship between the unit and national occupational standards

This unit was developed from the national occupational standards for Accountancy and Finance.

Additional information

For further information regarding administration for this qualification, please refer to the OCR document '*Admin Guide: Vocational Qualifications' (A850)* on the OCR website www.ocr.org.uk.