

Unit Title:	<b>Maintaining the journal</b>
OCR unit number:	<b>M10</b>
Unit reference number:	T/600/8772
Level:	2
Credit value:	2
Guided learning hours:	9

## 1.1.1 Unit purpose and aim

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For the learner to understand that the journal is a primary accounting record that lists non-standard book-keeping transactions and that it is then used to enter those transactions into the double entry book-keeping records.

<b>Learning outcomes</b> <i>The learner will:</i>	<b>Assessment criteria</b> <i>The learner can:</i>	<b>Knowledge, understanding and skills</b>
1 Open a new set of double entry bookkeeping records using the journal	1.1 Prepare the journal entries to open a double entry set of book-keeping records for a new and existing business  1.2 Record the journal entries in the ledger accounts	Enter journal: <ul style="list-style-type: none"> <li>• Title</li> <li>• Date</li> <li>• Column headings</li> <li>• Accounts</li> <li>• Columns</li> <li>• Assets</li> <li>• Liability</li> <li>• Capital</li> <li>• Narration (reason for entry)</li> </ul> Enter: <ul style="list-style-type: none"> <li>• Sales ledger account</li> <li>• Purchase ledger account</li> <li>• Nominal ledger account</li> <li>• Account names</li> <li>• Opening balance date</li> <li>• Opening balance narrative</li> <li>• Opening balance amount</li> <li>• Correct debit or credit entry</li> </ul>

<b>Learning outcomes</b> <i>The learner will:</i>	<b>Assessment criteria</b> <i>The learner can:</i>	<b>Knowledge, understanding and skills</b>
<p>2 Use the journal to correct errors disclosed and not disclosed by the trial balance</p>	<p>2.1 Identify and record journal entries in the general ledger to correct errors not disclosed by the trial balance.</p> <p>2.2 Identify the types of errors in a book-keeping system that are not disclosed by extracting a trial balance</p> <p>2.3 Identify the types of errors in a book-keeping system that are disclosed by extracting a trial balance:</p> <ul style="list-style-type: none"> <li>• Addition errors in individual ledger accounts</li> <li>• Single entry transactions</li> <li>• Recording two debits or two credits for a transaction</li> <li>• Errors transferring balances from the general ledger to the trial balance</li> <li>• Omission of a general ledger account</li> </ul>	<p>Enter journal:</p> <ul style="list-style-type: none"> <li>• Title</li> <li>• Date</li> <li>• Column headings</li> <li>• Account</li> <li>• Column (debit/credit)</li> <li>• Amount</li> <li>• Narration (reason)</li> </ul> <p>Enter the ledger:</p> <ul style="list-style-type: none"> <li>• Account</li> <li>• Date</li> <li>• Narrative</li> <li>• Debit or credit entry</li> <li>• Amount</li> </ul> <p>Identify errors:</p> <ul style="list-style-type: none"> <li>• Omission</li> <li>• Commission</li> <li>• Principle</li> <li>• Compensating error</li> <li>• Original entry</li> <li>• Reversal of entries</li> <li>• Duplicating an entry</li> </ul> <p>Identify errors:</p> <ul style="list-style-type: none"> <li>• Addition</li> <li>• Single entry transactions</li> <li>• Recording two debits or two credits for a transaction</li> <li>• Transferring balances to the trial balance</li> <li>• Omission of a general ledger account</li> </ul>



<b>Learning outcomes</b> <i>The learner will:</i>	<b>Assessment criteria</b> <i>The learner can:</i>	<b>Knowledge, understanding and skills</b>
	3.4 Re-draft a trial balance following the correction of errors and the elimination of a suspense account	<ul style="list-style-type: none"> <li>• Correct debit or credit entry</li> <li>• Suspense account balance</li> <li>• Relevant ledger accounts balance</li> </ul> Enter trial balance: <ul style="list-style-type: none"> <li>• Heading</li> <li>• Date</li> <li>• Column headings</li> <li>• Accounts</li> <li>• Amounts</li> <li>• Totals</li> </ul>
4 Use the journal to record other transactions	4.1 Prepare journal entries to write off a bad debt  4.2 Enter the journal entries in the general ledger to write off a bad debt including the sales tax (eg VAT) where appropriate	Enter: <ul style="list-style-type: none"> <li>• Date</li> <li>• Accounts</li> <li>• Amounts</li> <li>• Correct columns</li> <li>• Narration</li> </ul> <ul style="list-style-type: none"> <li>• Open a bad debts account</li> <li>• Customer account</li> <li>• Sales tax (VAT) account</li> <li>• Date</li> <li>• Narrative</li> <li>• Amount</li> <li>• Double entry between the bad debts, customer and VAT account</li> <li>• Entries on debit or credit side of accounts</li> <li>• Close the customer account</li> </ul>
5 Use the journal to process wages costs	5.1 Prepare and enter the journal entries in the general ledger to process payroll transactions	Enter journal: <ul style="list-style-type: none"> <li>• Title</li> <li>• Date</li> <li>• Column headings</li> <li>• Account</li> <li>• Column</li> <li>• Amount</li> <li>• Narration (reason)</li> </ul>

<b>Learning outcomes</b> <i>The learner will:</i>	<b>Assessment criteria</b> <i>The learner can:</i>	<b>Knowledge, understanding and skills</b>
		Enter: <ul style="list-style-type: none"> <li>• Account</li> <li>• Date</li> <li>• Narrative</li> <li>• Debit or credit entry</li> <li>• Amount</li> <li>• Gross wages and salaries</li> <li>• Net wages and salaries</li> <li>• PAYE</li> <li>• National Insurance</li> <li>• Pension schemes</li> <li>• SAYE</li> <li>• Charity payments (GAYE)</li> <li>• Internal club payments/savings</li> </ul>

### 1.1.2 Assessment

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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.

### 1.1.3 Evidence requirements

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

### 1.1.4 Barred combinations: *Business Skills* suite

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There are currently no barred combinations for this unit within the Business Skills suite.

### 1.1.5 Exemptions and equivalencies: *Business Skills* suite

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There are no exemptions or equivalencies for this unit.

## 1.1.6 Guidance on assessment and evidence requirements

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You should also refer to the *OCR Bookkeeping and Accounting Skills (QCF) Centre Handbook*.

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

## 1.1.7 Details of relationship between the unit and national occupational standards

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

## 1.1.8 Additional information

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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](http://www.ocr.org.uk).