

Cambridge **TECHNICALS LEVEL 3**

BUSINESS



Unit 11

Accounting concepts

Model assignment

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Please note:

You can use this assignment to provide evidence for summative assessment, which is when the learner has completed their learning for this unit and is ready to be assessed against the grading criteria.

You can use this assignment as it is, or you can modify it or write your own; we give more information in this document under Guidance for tutors.

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Guidance for tutors on using this assignment

General

OCR Cambridge Technical model assignments are available to download from our website: www.ocr.org.uk.

The purpose of this assignment is to provide a scenario and set of tasks that are typical of how people working within the accounting function would use financial records and prepare financial statements, to enable you to assess your learner against the requirements specified in the grading criteria. The scenario and its tasks are intended to give a work-relevant reason for applying the skills, knowledge and understanding needed to achieve the unit.

This assignment will not instruct learners how to meet the highest grade. Whether learners achieve a pass, merit or distinction will depend on what evidence they produce.

You can modify the scenario we provide in this assignment to make it more relevant to your local or regional needs. Please refer to the information under 'Modifying the model assignment' later in this section.

You don't have to use this assignment. You can use it as a guide to help you to design your own assignment, and we provide an assignment checking service. You'll find more information on these matters in section 8 of the qualification handbook.

In the tasks, we'll refer to the format of evidence. Learners are **not** required to follow that format **unless** we tell them otherwise.

It's essential that the work every learner produces is their own. Please make sure you read through the information we give on authenticity in section 8 of the qualification handbook and make sure that your learners and any staff involved in assessment understand how important authenticity is.

We provide this assignment to be used for summative assessment. You must not use it for practice or for formative assessment.

Before using this assignment to carry out assessment

Learners will need to take part in a planned learning programme that covers the knowledge, understanding and skills of the unit.

When your learners are ready to be assessed, they must be provided with a copy of the following sections of this assignment:

- General information for learners
- Assignment for learners
- Evidence Checklist

They may carry out preparation prior to undertaking the tasks and there is no time limit for this.

When completing the assignment

You should use this assignment in conjunction with the unit specification and qualification handbook.

Resources to complete the tasks

The learners will require access to a small/medium size business. In the context of this assignment, learners should have the opportunity to study a local garage/MOT centre. Centres are advised to recommend appropriate businesses for the learners to use. A visit to the business or a visiting speaker would enhance the learner journey.

There are resource requirements for this assignment. Every learner will need access to the following resources:

- For task 3 you will require the information from Appendix A.
- For task 4 you will require the information from Appendix B.

Time

You should plan for learners to have 10 hours to complete this assignment.

Learners must be allowed sufficient time to complete all the tasks. The amount of time may vary depending on the nature of the tasks and the ability of individual learners. To help with your planning, against each of the tasks we've given an indication of how long it should take.

Learners can produce evidence in several sessions.

Format of evidence

Learners have to produce evidence that demonstrates how they have met the grading criteria. At the very least they must produce evidence that meets **all** of the pass criteria.

Please make sure your learners realise that missing just one pass criterion means they will not pass the unit, even if they have successfully met the merit and distinction criteria.

We do require that evidence **must** take a specific format for some/all of the tasks in this assignment. We have made that clear in the tasks. Where we prescribe the format, we state this as 'You must produce an xxx' or 'Your evidence must include a xxx'. When we do not prescribe the format, we say 'You could include a report on...'. Please look out for this and make sure learners realise that we have prescribed the format for some/all of the tasks. The evidence does not have to follow any specific reporting conventions. You can modify the format of the evidence but you must make sure the format does not prevent the learner from accessing the grading criteria.

For more guidance on generation and collection of evidence, please refer to the section 8 'Internal Assessment', in the qualification handbook.

Group work

This assignment **has not** been designed to include group work. If you plan to ask learners to work in a team to complete work for assessment, you need to determine at which point in an assessment task learners can work together.

You must be sure that each learner can produce evidence of their own contribution to each grading criterion. You can give constructive feedback to learners about working as a group and direct them on team working skills because evidence of team working skills is not required by the unit. See our

information on authentication, including group work and feedback to learners, in section 8 of the qualification handbook.

If witness statements are used to support learners' evidence, you'll need to complete an individual statement for each learner.

After completing the assignment

Once the learner has submitted their work to you to be assessed, you must judge or 'mark' the work against the grading criteria for the unit and identify one grade for the unit. For further information about assessment, please refer to section 8 of the qualification handbook.

Your assessment decisions must be quality assured across the cohort of learners in your centre who are being entered for the same unit. This must be done through an internal standardisation process. We give information on internal assessment and standardisation in the qualification handbook.

Reworking the assignment

If you and the learner feel they've not performed at their best during the assessment, the learner can, at your discretion, improve their work and resubmit it to you for assessment. If a learner is working on improving their work before it is resubmitted, you and the learner must continue to make sure the work is the learner's own.

Any feedback you give to the learner must not direct them on how to improve their work. You can identify what area of the work could be improved but you cannot give the learner any details about how they could improve it. You must follow the guidelines given in section 8 of the qualification handbook under 'Authenticity of learner work'.

Modifying the model assignment

The tasks in this assignment allow learners access to the full range of grades detailed in the grading criteria of this unit.

If you modify this assignment you must **not** change the grading criteria provided in the tasks for the learner or in the evidence checklist. These grading criteria are taken from the unit.

You can modify the scenario to suit your local or regional needs and the tasks may be contextualised to match any changes you have made to the scenario. **If you modify the content of Appendix A, you must ensure that it is accurate and sufficiently detailed for learners to complete the task.**

You can modify the type of evidence and the format it takes, unless we expressly state that evidence must take a specific format.

You must also make sure that you avoid discrimination, bias and stereotyping and support equality and diversity. For more information, please see the section 'Designing your own assignments for internally assessed units' in section 8 of the qualification handbook.

If modifications are made to the model assignment, whether to the scenario alone, or to both the scenario and individual tasks, it's your responsibility to make sure that all grading criteria can still be met and that learners can access the full range of grades.

If you're using this model assignment and delivering the Foundation Diploma or Diploma you have an opportunity to secure meaningful employer involvement by working with an employer to modify it.

General information for learners

Q *What do I need to do to pass this assignment?*

A You need to produce evidence to meet the requirements of **all** the pass criteria for the unit this assignment relates to. If you miss just one pass criterion, you will not achieve this unit and will receive an unclassified result.

Q *What do I need to do if I want to get a merit or distinction for this assignment?*

A For a merit, you need to produce evidence to meet the requirements of **all** the pass criteria for the unit this assignment relates to **and** you need to produce evidence to meet **all** the merit criteria.

For a distinction, in addition to the above, you also need to meet **all** the distinction criteria for this unit.

Q *What help will I get?*

A Your tutor will support you when completing this assignment and will make sure that you know what resources or facilities you need and are allowed to use. We've given your tutor information about how much support they can give you.

Q *What if I don't understand something?*

A It's your responsibility to read the assignment carefully and make sure you understand what you need to do and what you should hand in. If you are not sure, check with your tutor.

Q *I've been told I must not plagiarise. What does this mean?*

A Plagiarism is when you take someone else's work and pass this off as your own, or if you fail to acknowledge sources properly. This includes information taken from the internet.

It's not just about presenting a whole copied assignment as your own; you will also be plagiarising if you use the ideas or words of others without acknowledgement, and this is why it's important to reference your work correctly (see Q&A below for more information on referencing).

Plagiarism has serious consequences; you could lose the grade for this unit or you may not be allowed to achieve the whole qualification.

Always remember that the work you produce must be your own work. You will be asked to sign a declaration to say that it is.

Q *What is referencing and where can I find out more information about it?*

A Referencing is the process of acknowledging the work of others. If you use someone else's words and ideas in your assignment, you must acknowledge it, and this is done through referencing.

You should think about why you want to use and reference other people's work. If you need to show your own knowledge or understanding about an aspect of subject content in your assignment, then just quoting and referencing someone else's work will not show that **you** know or understand it. Make sure it's clear in your work how you are using the material you have referenced **to inform** your thoughts, ideas or conclusions.

You can find more information about how to reference in the [The OCR Guide to Referencing](http://www.ocr.org.uk/i-want-to/skills-guides/) available on our website: <http://www.ocr.org.uk/i-want-to/skills-guides/>.

Q ***Can I work in a group?***

A Yes. However, if you work in a group at any stage, you must still produce work that shows your individual contribution. Your tutor can advise you how to do this.

Q ***Does my work for each task need to be in a particular format?***

A You can present your work in a variety of ways – it can be handwritten, word-processed, on video or in digital media. What you choose should be appropriate to the task(s) and your tutor can advise you. There may be times when you need proof that you have completed the work yourself: for example, if you do something during work placement that you want to use as evidence, the tutor might ask the employer to provide a witness statement.

Make sure you check the wording in each task carefully. For each task, we'll tell you if your evidence has to be in a specific format:

- If we say use the word '**must**', for example 'You must produce a report' or 'Your evidence/work must include a diagram', then you must produce the work in the stated format.
- If we use the word '**could**', for example 'You could include sketches of your ideas' or 'You could do this by annotating your diagram', this means that you are not required to follow the format we have given, but you must make sure that the work you do produce allows you to demonstrate the requirements of the grading criteria.

If you are unsure about what evidence you need, please ask your tutor.

Q ***Can I ask my tutor for feedback on my work?***

A Yes, but they can't give you detailed feedback.

We have given your tutor instructions on what kind of feedback they can give you. For example, they are **not** allowed to tell you exactly what to do to make your work better, but they **can** remind you about what they've taught you and you can use this additional learning to try and improve your work independently. They can say what they've noticed might be wrong with your work, for example if your work is descriptive where an evaluation is required, but your tutor can't tell you specifically what you need to do to change it from a description to an evaluation – you will need to work out what you need to do and then do it for yourself.

Q ***When I have finished, what do I need to do?***

A If you have included the personal details (such as name, address or date of birth) of someone other than yourself in your work, this must be blanked out (anonymised) – your tutor will tell you how to do this. You don't need to do this for information contained in references.

You can complete the evidence checklist to show your tutor where they can find the evidence for each grading criterion in your work.

You should make sure your work is labelled, titled and in the correct order for assessing.

Hand in the work that you've completed for each task to your tutor. They might ask to see your draft work, so please keep your draft work in a safe place.

Q ***How will my work be assessed?***

A Your work will be marked by someone in your centre who has been authorised to do so. They will use the information in the grading criteria to decide which grade your work meets. The grading criteria are detailed in each unit and are also given in the tasks within this assignment. Please ask your tutor if you are unsure what the grading criteria are for this assignment.

Assignment for learners

Unit 11: Accounting Concepts

Scenario

Northern Car Repairs

Jonathan, a sole trader, owns Northern Car Repairs – a small traditional garage in the north of England. The business services all makes of cars, both new and old, completes MOTs and has a specialist area for tyre replacements.

Northern Car Repairs' financial year runs from 1 September to 31 August. Jonathan maintains a manual accounting system, including a cash book and weekly petty cash book.

Jonathan has heard about the OCR Level 3 Cambridge Technicals in Business course that you are doing and has provided information to help you demonstrate your understanding of financial accounting. Jonathan has set out four tasks for you to complete.

The tasks

Task 1: Accounting records

(This task should take between 2 and 3 hours.)

Learning Outcome 1: *Understand why businesses keep accurate accounting records*

Learning Outcome 5: *Be able to reconcile a cash book with a bank statement*

Your task is to produce a presentation, with accompanying notes, for Jonathan, which explains why his business needs to keep accurate accounting records.

Your presentation **must** include:

1. An explanation of why Jonathan should keep accounting records for his business.
2. A description of the garage's accounting records, highlighting the information that the following stakeholders would require:
 - a. Bank
 - b. Customers
 - c. Government
3. A description of the payment methods that will be used by Jonathan for his garage's transactions.
4. An explanation of the purpose of the monthly bank statement that is sent to the garage.
5. An explanation of why Jonathan requires a bank reconciliation statement.

Your presentation **could** include:

1. An explanation of how a failure on Jonathan's part to keep accurate accounting records could impact on these three stakeholder groups.
2. An assessment of how Jonathan applies the consistency concept to his accounting records.

Pass	Merit	Distinction
P1: Explain the reasons for keeping accounting records in business organisations	M1: Explain how the failure to keep accurate accounting records could impact on stakeholders with reference to a specific business	D1: Assess how a specific business applies an accounting concept or policy to their accounting records
P2: Describe the accounting record requirements of at least 3 different stakeholders for a specific organisation		
P11: Describe payment methods for business transactions		
P12: Explain the purpose of a bank statement and the need for a bank reconciliation statement		

Evidence

- Your presentation will be assessed by your tutor. You are only required to produce the presentation documents for this part of the assignment. If you choose to present your work, your tutor may decide to record your presentation as evidence. You will be given a witness statement and feedback based on the presentation, accompanying notes and any handouts you have produced.
- You could include examples of accounting records and highlight the elements that support your descriptions and explanations.

Task 2: Accounting procedures

(This task should take between 3 and 5 hours.)

Learning Outcome 2: *Be able to use the accounting equation*

Learning Outcome 3: *Be able to prepare the principal documents in business transactions*

Learning Outcome 5: *Be able to reconcile a cash book with a bank statement*

Jonathan has enrolled on an introductory accounting course. He has been working through the course material but requires some clarification. Jonathan has asked if you are able to provide him with some support and guidance with his extra study questions.

Jonathan would like you to provide solutions, including all workings and guidance notes, to his questions in **Appendix A**.

Pass	Merit	Distinction
P3: Calculate the value of assets, liabilities and capital from given data	M2: Compare the accounting procedures for cash and trade discounts	D2: Evaluate the use of cash and trade discounts in more than one business organisation
P4: Prepare principal source documents for given business transactions		
P5: Prepare a three column cash book from given financial information		
P9: Update a completed cash book from given data		
P10: Produce a bank reconciliation statement		

Evidence

- You could produce a written report on the accounting procedures.
- Or**
- You could produce a small portfolio of evidence and guidance for Jonathan.
 - You must include calculations demonstrating the calculation of assets, liabilities and capital.
 - You must include completed source documents, three column cash book, updated cash book and bank reconciliation statement.
 - You could include a comparison of accounting procedures for cash and trade discounts.
 - You could include an evaluation of cash and trade discounts in your chosen two business organisations.

Task 3: Double Entry Bookkeeping

(This task should take between 2 and 3 hours.)

Learning Outcome 4: *Be able to use basic double entry bookkeeping to prepare a trial balance*

Your task is to:

1. Prepare ledger accounts and accompanying trial balance for the transactions in **Appendix B**.

Jonathan would also like you to:

2. Explain the need for subdivisions of the ledger
3. Explain the difference between **capital** and **revenue** items of income and expenditure. Jonathan would like you to give appropriate examples from his trial balance.

Jonathan would like to understand the effect on his final accounts of the incorrect placement of capital and revenue items of income and expenditure. He would appreciate practical examples to help him understand.

Pass	Merit	Distinction
P6: Explain the need for subdivisions of the ledger	M3: Analyse the effect of the incorrect placement of capital and revenue items of income and expenditure	
P7: Explain the difference between capital and revenue items of expenditure and income		
P8: Prepare ledger accounts and accompanying trial balances for business transactions		
Evidence		
<ul style="list-style-type: none"> • Your evidence must include ledger accounts and accompanying trial balance. • You must include an explanation of the need for subdivisions of the ledger and the difference between capital and revenue items of income and expenditure. • You could include an analysis of the effect of the incorrect placement of capital and revenue items of income and expenditure. 		

Appendix A

Question 1

Complete the grey shaded boxes of the following table showing the value of assets, liabilities and capital.

Capital	Assets	Liabilities
50 000	120 000	
	60 000	35 000
70 000		40 000
150 000	220 000	
	90 000	45 000
170 000		30 000
	55 000	25 000

Question 2

1. Choose an online stationery retailer, for example Ryman, Staples etc.
2. Design and complete an order form for a selection of items Jonathan may wish to purchase from your chosen supplier.
3. Design and complete an example of the sales invoice Jonathan can expect to receive from your chosen supplier.

Question 3

Ahmed runs a small retail outlet selling a range of business accessories.

Ahmed has provided the following details about his financial transactions for the month of April.

Date	Transactions
April 1	Balances brought forward from the month of March: Cash £255 Bank £590
April 2	Ahmed paid trade payables by cheque: £650 to S Iqbal £320 to T Mann – this total is before receiving a 5% discount.
April 10	Ahmed paid his landlord rent by cheque £560
April 13	Ahmed made cash purchases of £478

April 18	Ahmed received a number of cheques from his customers. In all cases the customer had been allowed a 2.5% discount. T Yawn Ltd £651 L Tea £652 C Isobel £420
April 19	Ahmed paid £1 000 cash into the business bank account
April 20	Ahmed made cash sales of £399
April 24	Ahmed received commission by cheque of £64
April 28	Ahmed withdrew £300 cash from the business bank account for his own use

REQUIRED

1. You are required to prepare a three column cash book for the month of April.

The cash book should be balanced off at the end of the month.

Question 4

The following are extracts from the cash book and bank statement of Dahl Cookery Store

Cash book extract					
Dr					Cr
		£			£
January 1	Balance b/d	254	January 8	P Iqbal	182
January 8	C Olfa	278	January 21	D Virgin	62
January 14	J Smith	352	January 28	F Dean	374
January 27	S Patel	265			

Bank statement extract			
Date		Dr	Cr
January 1	Balance b/d		254
January 11	C Olfa		278
January 12	P Iqbal	182	
January 16	Bank charges	45	
January 18	J Smith		352
January 24	D Virgin	62	
January 29	Credit transfer: XYZ Ltd		155

1. Update the cash book from the data given.
2. Produce a bank reconciliation statement.

Question 5 (Optional)

Choose two local business organisations that offer customers cash and trade discounts.

1. Compare the accounting procedures for cash and trade discounts in these two businesses.
2. Evaluate the use of these discounts in your chosen businesses.

Note: You are free to choose two businesses of your choice. It is recommended that you choose businesses of which you have some knowledge and check with your tutor before completing the task.

Appendix B

Jonathan has provided the following financial information for his opening month of business:

- Jonathan introduced capital in the form of:
 - Cash £30 000
 - Motor Car £10 000
 - Fixtures and fittings £5 000
- He purchased a motor van for £9 800 in cash.
- He bought shop fixtures for £8 000 on credit from SF Ltd.
- Jonathan introduced £25 000 extra cash as capital into the business.
- Jonathan sold the motor car for £8000 cash.
- He bought office equipment for £5 500 on credit from Office Supplies Ltd.
- Jonathan will **not** account for depreciation of non-current assets until the end of the financial year.

Evidence Checklist

OCR Level 3 Cambridge Technicals in Business

Unit 11: Accounting Concepts

LEARNER NAME:

For PASS have you: (as a minimum you have to show you can meet every pass criterion to complete the unit)	Where can your tutor find the evidence? Give page no(s)/digital timings, etc.
explained the reasons for keeping accounting records in business organisations (P1)	
described the accounting record requirements of at least 3 different stakeholders for a specific organisation (P2)	
calculated the value of assets, liabilities and capital from given data (P3)	
prepare principal source documents for given business transactions (P4)	
prepared a three column cash book from given financial information (P5)	
explained the need for subdivisions of the ledger (P6)	
explained the difference between capital and revenue items of expenditure and income (P7)	
prepared ledger accounts and accompanying trial balances for business transactions (P8)	
updated a completed cash book from given data (P9)	
produced a bank reconciliation statement (P10)	
described payment methods for business transactions (P11)	
explained the purpose of a bank statement and the need for a bank reconciliation statement (P12)	

For Merit have you:	Where can your tutor find the evidence? Give page no(s)/digital timings, etc.
explained how the failure to keep accurate accounting records could impact on stakeholders with reference to a specific business (M1)	
compared the accounting procedures for cash and trade discounts (M2)	
analysed the effect of the incorrect placement of capital and revenue items of income and expenditure (M3)	

For Distinction have you:	Where can your tutor find the evidence? Give page no(s)/digital timings, etc.
assessed how a specific business applies an accounting concept or policy to their accounting records (D1)	
evaluated the use of cash and trade discounts in more than one business organisation (D2)	

To find out more
ocr.org.uk/business

or call our Customer Contact Centre on **02476 851509**

Alternatively, you can email us on **vocational.qualifications@ocr.org.uk**



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