

Cambridge TECHNICALS LEVEL 3

BUSINESS

Cambridge
TECHNICALS
2016

Unit 11 – Accounting concepts

DELIVERY GUIDE

Version 1

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INTRODUCTION

This Delivery Guide has been developed to provide practitioners with a variety of creative and practical ideas to support the delivery of this qualification. The Guide is a collection of lesson ideas with associated activities, which you may find helpful as you plan your lessons.

OCR has collaborated with current practitioners to ensure that the ideas put forward in this Delivery Guide are practical, realistic and dynamic. The Guide is structured by learning outcome so you can see how each activity helps you cover the requirements of this unit.

We appreciate that practitioners are knowledgeable in relation to what works for them and their learners. Therefore, the resources we have produced should not restrict or impact on practitioners' creativity to deliver excellent learning opportunities.

Whether you are an experienced practitioner or new to the sector, we hope you find something in this guide which will help you to deliver excellent learning opportunities.

If you have any feedback on this Delivery Guide or suggestions for other resources you would like OCR to develop, please email resources.feedback@ocr.org.uk.

OPPORTUNITIES FOR ENGLISH AND MATHS SKILLS DEVELOPMENT AND WORK EXPERIENCE

We believe that being able to make good progress in English and maths is essential to learners in both of these contexts and on a range of learning programmes. To help you enable your learners to progress in these subjects, we have signposted opportunities for English and maths skills practice within this resource. We have also identified any potential work experience opportunities within the activities. These suggestions are for guidance only. They are not designed to replace your own subject knowledge and expertise in deciding what is most appropriate for your learners.



English



Maths



Work

Please note

The activities suggested in this Delivery Guide **MUST NOT** be used for assessment purposes. The timings for the suggested activities in this Delivery Guide **DO NOT** relate to the Guided Learning Hours (GLHs) for each unit.

Assessment guidance can be found within the Unit document available from www.ocr.org.uk. The latest version of this Delivery Guide can be downloaded from the OCR website.

UNIT AIM

All businesses require accurate bookkeeping records to ensure they meet the requirements and needs of a number of stakeholders. This unit is intended to give you vital skills and knowledge of maintaining business records, using books of original entry and double-entry bookkeeping. Due to an increase in the number of national and international accounting requirements, businesses are always in need of employees who possess bookkeeping and accounting skills.

This unit will give you an introduction to the foundations of business accounting. The unit will allow you to gain essential skills in, and knowledge of, the purposes of accounting, and the accounting procedures used to produce final accounts. You will consider the reasons for keeping accurate financial records and the importance of updating cash books and preparing bank reconciliation statements.

This will prepare you for work, in areas of business and accounting, which require accurate recording of financial transactions. The unit will ensure you are familiar with the basic requirements of International Accounting Standards (IAS). You can build on your skills by studying the other Accounting units in this qualification.

Unit 11 Accounting concepts

LO1	Understand why businesses keep accurate accounting records
LO2	Be able to use the accounting equation
LO3	Be able to prepare the principal documents in business transactions
LO4	Be able to use basic double entry bookkeeping to prepare a trial balance
LO5	Be able to reconcile a cash book with a bank statement

To find out more about this qualification please go to: <http://www.ocr.org.uk/qualifications/cambridge-technicals-business-level-3-certificate-extended-certificate-foundation-diploma-diploma-05834-05837-2016-suite>

Cambridge
TECHNICALS
2016

2016 Suite

- New suite for first teaching September 2016
- Externally assessed content
- Eligible for Key Stage 5 performance points from 2018
- Designed to meet the DfE technical guidance

RELATED ACTIVITIES

The Suggested Activities in this Delivery Guide listed below have also been related to other Cambridge Technicals in Business units/Learning Outcomes (LOs). This could help with delivery planning and enable learners to cover multiple parts of units.

This unit (Unit 11)	Title of suggested activity	Other units/LOs	
LO1	The purpose of accounting	Unit 1 The business environment	LO2 Understand how the functional areas of businesses work together to support the activities of businesses
	Setting up in business and using the services of an accountant	Unit 1 The business environment	LO2 Understand how the functional areas of businesses work together to support the activities of businesses
	Users of accounting information	Unit 1 The business environment	LO5 Understand the relationship between businesses and stakeholders
	Accounting requirements for various types of business organisations	Unit 1 The business environment	LO6 Understand the external influences and constraints on businesses and how businesses could respond
		Unit 12 Financial accounting	LO1 Understand the impact of legislation, concepts and principles on accounting processes
	Accounting concepts and policies	Unit 12 Financial accounting	LO2 Understand the reporting requirements of private limited companies and public limited companies
Accounting concepts and policies – textbook questions	Unit 12 Financial accounting	LO2 Understand the reporting requirements of private limited companies and public limited companies	
LO2	Research into capital/equity and long-term liabilities in different types of business ownership	Unit 1 The business environment	LO7 Understand why businesses plan
LO3	Introduction to source documents	Unit 2 Working in business	LO3 Be able to use business documents
	Applied questions on source documents	Unit 2 Working in business	LO3 Be able to use business documents
LO4	Introduction to double-entry bookkeeping	Unit 11 Accounting concepts	LO2 Be able to use the accounting equation
	Trial balance	Unit 12 Financial accounting	LO3 Be able to prepare final accounts for sole traders

KEY TERMS

Explanations of the key terms used within this unit, in the context of this unit	
Key term	Explanation
Assets	Assets are things of value which are owned by the business. Assets may be tangible (physical) such as vehicles and fixtures and fittings and intangible (not physical) such as brand names and goodwill.
Bank reconciliation	A method of comparing a firm's bank statement with its own cash book records. It is used as a way to identify any errors that may have been made in the accounting process.
Bank statement	A bank statement is issued by a bank at regular intervals – e.g. monthly – and lists all the transactions in and out of the business bank account – e.g. money paid to suppliers, payments to workers and income received from sales.
Capital (equity)	Capital or equity is the value of an owner's stake in a business. For example, this could be the value of the shares that they own in the business.
Capital expenditure	Capital expenditure is the amount of money spent on buying assets for the business such as plant, machinery, fixtures and fittings.
Capital income	Capital income is income generated by an asset. For example, the owner of shares in a business may receive a dividend (a percentage of the profits) each year in relation to the amount of shares they own.
Cash book	The cash book is where a business records all its cash receipts (income) and cash expenditures.
Cheque	A cheque is an order to a bank to make a payment. Cheques are written or printed on special paper. The use of cheques has dramatically decreased in recent years as more and more business transactions are settled through the BACS electronic payment system or through the use of debit and credit cards.
Credit note	A credit note is given to a customer who has returned goods to a supplier. The customer can use the credit against future purchases from the supplier. For example, if Business A issued a credit note to Business B for £100, Business B would be able to use this note to get £100 off future purchases from Business A.
Liabilities	Liabilities are money that is owed to others. For example, current liabilities are due to be paid in the short term such as money owed to suppliers for stock. Long-term liabilities need to be paid back over the long term, usually more than one year, and could include a bank loan or mortgage.
Nominal (general) ledger	A nominal ledger records all the revenue and expenditure that a business incurs over a period of time.
Petty cash (book)	Petty cash is used for small expenditures in cash by a business. For example, spending on a taxi fare, refreshments for the office, office stationery, stamps, etc would all usually be paid for with petty cash. Petty cash spending by a business is recorded in a petty cash book.
Purchase day book	The purchase day book is where a business records its credit purchases but not cash purchases. Cash purchases go into the cash book.
Purchase invoice	A purchase invoice is a statement that is received from a firm's supplier with details of what has been purchased by the business and how much is due to be paid. The terms of payment – e.g. 'payment must be made in 30 days' – will usually be included.
Purchases ledger	A detailed record of all the purchases made by a business over a period of time, whether or not payment has yet been made.
Receipt	A receipt is a written/printed acknowledgement that payment for goods and services has been made.
Returns inwards day book	The returns inwards day book is where a business records goods returned by a customer.
Returns outwards day book	The returns outwards day book is where a business records goods which it returns to its suppliers.
Revenue expenditure	Spending incurred when generating sales revenue. For example, this could include the cost of the goods sold and the direct wages of employees involved in the selling process.
Revenue income	This is the revenue generated by selling goods and services.
Sales day book	The sales day book is where a business records its credit sales – e.g. goods sold now for payment later. Cash sales get recorded in the cash book.

Explanations of the key terms used within this unit, in the context of this unit

Key term	Explanation
Sales invoice	A sales invoice is a statement that a business sends to its customers with details of what has been purchased by the customer and how much is due to be paid. The terms of payment – e.g. ‘payment must be made in 30 days’ – will usually be included.
Sales ledger	A detailed record of all the sales made by a business over a period of time, whether or not a payment has yet been received.
Statement of account	A statement of account is issued by a business to a trade customer on a regular basis – e.g. monthly, quarterly – showing all the transactions between the two firms. For example, it will include goods sold, payments made, and any payments still to be made.

MISCONCEPTIONS

Some common misconceptions and guidance on how they could be overcome

What is the misconception?	How can this be overcome?	Resources which could help
<p>The distinction between debits and credits in double-entry accounting</p>	<p>This is one of the most confusing concepts for anyone who is beginning to study double-entry accounting.</p> <p>Learners generally understand that spending on a credit card leads to debt (liability). Therefore, spending on a credit card = debt = liability. The use of the credit card analogy may help learners to associate credit with liability (debt) rather than with the bank statement use of debit and credit.</p>	<p>How can I better understand debit and credit? Quora.com https://www.quora.com/How-can-I-better-understand-debit-and-credit</p> <p>This web page provides quite a detailed outline of the difference between the two terms.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012)</p> <p>The debit/credit grid used by the author on pages 159 and 174 provides a very useful aide-mémoire and could be added to a PowerPoint and projected onto the whiteboard during practical activities.</p> <p>Page 160 of this book also outlines the difference between debit and credit at a bank and in business in a very clear and easy to understand way.</p>
<p>The distinction between a cash book and a bank statement</p>	<p>Learners are generally familiar with a bank statement but not a cash book. The similarity between these two can be a cause of confusion. Doing the bank reconciliation tasks for LO5 will probably help with this. However, the article in the book listed opposite provides a good outline of the limitations of a bank statement, which is quite useful for explaining the difference between these two financial documents.</p>	<p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012)</p> <p>Page 10 of this book outlines the limitations of a bank statement.</p>

SUGGESTED ACTIVITIES

LO No:	1		
LO Title:	Understand why businesses keep accurate accounting records		
Title of suggested activity	Suggested activities	Suggested timings	Also related to
The purpose of accounting	<p>Learners could be asked, in pairs, to brainstorm what they think are the main purposes of accounting from their own general knowledge and previous learning. Pairs could then share ideas with another pair to broaden the range of responses and then feed back to a full group discussion.</p> <p>The resource below should help with feedback.</p> <p>Introduction to Accounting 1 Accounting Tube https://www.youtube.com/watch?v=8q8k1SrD_qg This video from 1.45 to 5.40 minutes introduces the purpose of accounting, the types of accounting – tax, financial and managerial – and the users of accounting.</p>	30 minutes	Unit 1 LO2
Setting up in business and using the services of an accountant 	<p>Learners could be told that they have been asked by a friend for advice on what they need to do to set up a sole-trader business and the arguments for and against using the services of an accountant.</p> <p>Learners could be asked to write up their findings in a short report.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) Chapter 1 (pages 10–12) provides a good overview of why a business needs accounts.</p>	45 minutes	Unit 1 LO2

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Users of accounting information	<p>Learners could be asked to quickly brainstorm the different stakeholders in a business. After feedback they could be asked to explain how each stakeholder needs accounting information. A simple grid style worksheet could be made for learners to record their answers. Alternatively, the answers could be written up through the following task:</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Questions 1(a) and 1(b) (pages 2–3) ask learners for the reasons for keeping accounting records and the usefulness of accounting records for stakeholders (answers provided).</p> <p>11 Users of Accounting Information Double Entry Bookkeeping http://www.double-entry-bookkeeping.com/bookkeeping-basics/users-of-accounting-information/ This page lists the various internal and external stakeholders who would be interested in accounting information and why.</p> <p>2.1 Accounting records and financial statements Open University http://www.open.edu/openlearn/money-management/introduction-bookkeeping-and-accounting/content-section-2.1 Fact sheet that summarises why businesses need to keep accounting records and the usefulness of these records to various stakeholders.</p>	50 minutes	Unit 1 LO5
Accounting requirements for various types of business organisations	<p>Learners could be given the task of researching the accounting requirements for one type of business organisation – e.g. sole trader, partnership, private limited and public limited. Learners could then feed back to each other in groups of four and compare and contrast the accounting requirement differences between the different types of business organisation. Answers could then be written up in a simple grid style worksheet.</p> <p>Business records if you're self-employed Prepare annual accounts for a private limited company Gov.uk https://www.gov.uk/self-employed-records/overview https://www.gov.uk/annual-accounts/overview These pages on the UK government website provide information on the accounting requirements for sole traders and partnerships in the UK and those for private limited companies in the UK.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) Chapter 7 (pages 136–140) sets out the legal requirements for company accounts in the UK.</p>	50 minutes	Unit 1 LO6 Unit 12 LO1

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Accounting concepts and policies	<p>This topic could be delivered through a general introduction to the concepts with pairs of learners then asked to research one accounting concept/policy in detail and feed back to a general discussion.</p> <p>Accounting Concepts and Conventions tutor2u http://www.tutor2u.net/business/reference/accounting-concepts-and-conventions This page introduces the accounting concepts of matching, prudence, consistency and materiality.</p> <p>Accounting Concept and Principles Accounting-Simplified http://accounting-simplified.com/financial-accounting/accounting-concepts-and-principles/ This is a good website with lots of free information which will be useful for further topics. This page has links to the accounting concepts of matching, prudence, consistency and materiality and gives more detailed information than that given on the tutor2u site.</p>	45 minutes	Unit 12 LO2
Accounting concepts and policies – textbook questions	<p>The exercises below should help consolidate learners' understanding of accounting concepts and policies.</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Questions 1(a) and 1(b) (pages 50–51) ask learners to explain the meaning of the terms 'prudence' and 'consistency' and the importance of these two concepts when preparing financial statements (answers provided: 25 minutes approximately).</p> <p> 123 Questions 2 and 3 (pages 52–53) ask learners to identify accounting concepts from data plus one calculation on the 'net realisable value of stock' (answers provided: 30 minutes approximately).</p>	1 hour	Unit 12 LO2

SUGGESTED ACTIVITIES

LO No:	2		
LO Title:	Be able to use the accounting equation		
Title of suggested activity	Suggested activities	Suggested timings	Also related to
Introduction to assets, liabilities and equity	<p>To prepare learners for this topic, they could be asked to research the concepts of assets, liabilities and equity prior to the lesson. Learners could be tasked with finding out about these three concepts and applying them to their own lives. For example,</p> <ul style="list-style-type: none"> • What assets and liabilities do they expect to have over their lifetime? • At what times in their lives may assets be greater than liabilities and vice versa? • Are liabilities a problem? (This could feed into some interesting discussion – e.g. having a student loan is a liability but it will lead to the intangible asset of education which should lead to having a higher income in later life and thus the ability to acquire more tangible assets in future). <p>Learners could be asked to feed back their findings and examples as part of a class discussion.</p> <p>Introduction to Assets, Liabilities and Equity Money Instructor http://www.moneyinstructor.com/doc/assetliability.asp This web page offers a clear outline of the three concepts of assets, liabilities and equity in the context of an individual and demonstrates the links between these three concepts.</p>	50 minutes	
Introduction to the accounting equation	<p>The accounting equation is probably best delivered through a short introduction.</p> <p>The Accounting Equation TES https://www.tes.com/teaching-resource/the-accounting-equation-6368133 A PowerPoint presentation of the accounting equation, which includes tasks for learners to complete as the presentation progresses.</p> <p>2.3 Definitions of assets, capital and liabilities Open University http://www.open.edu/openlearn/money-management/introduction-bookkeeping-and-accounting/content-section-2.3 Short fact sheet explaining the accounting equation.</p> <p>Basic Accounting Equation Double Entry Bookkeeping http://www.double-entry-bookkeeping.com/accounting-equation/basic-accounting-equation/ This is a useful fact sheet that summarises the accounting equation. There is also a link to a PDF version of the expanded accounting equation which could be printed as a handout.</p>	1 hour	

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Assets and liabilities sorting exercise	<p>Learners could be issued with a set of business transactions/scenarios – e.g. business owes £xx to supplier A; business is owed £xx from customer B; business has overpaid its electricity bill by three months; business has £xx of unsold stock, etc – and be asked to sort transactions/scenarios into assets, liabilities and capital.</p> <p>For a more advanced exercise, all scenarios/transactions could be given a monetary value – with the purpose of getting the accounting equation to balance.</p> <p>Learners could be asked to write up a selection of the examples of assets, liabilities and capital into their notes as an aide-mémoire.</p> <p>Finance Exercises CLIL Calamandrei http://www.digiovinehost.com/itcgcalamandrei/spazio_docenti/ragazzoni/clil/economia%20aziendale/Businesses%20&%20Companies/finance_exercises.htm Exercise 2 gives some ideas for an assets and liabilities sort exercise.</p> <p>The Accounting Equation Table Double Entry Bookkeeping http://www.double-entry-bookkeeping.com/accounting-equation/the-accounting-equation/ Very useful summary table included in this fact sheet showing how typical business transactions should be treated in the accounting equation.</p>	40 minutes	
Accounting equation mathematical questions 	<p>2.3.1 What are assets, capital and liabilities? Open University http://www.open.edu/openlearn/money-management/introduction-bookkeeping-and-accounting/content-section-2.3.1 Activities 14 and 15 on this webpage require learners to apply their knowledge of the accounting equation (answers provided).</p>	20 minutes	
Research into capital/equity and long-term liabilities in different types of business ownership	<p>Learners could be asked to draw upon their existing knowledge of sources of finance and types of business ownership to explain how capital/equity and long-term liabilities would differ between the different types of business ownership. For example, capital in a public limited company is most likely to consist of shareholder funds.</p> <p>Full group feedback and answers could be recorded on a grid style worksheet.</p>	40 minutes	Unit 1 LO7
Accounting equation quiz	<p>Accounting Equation Quiz Double Entry Bookkeeping http://www.double-entry-bookkeeping.com/accounting-equation/accounting-equation-quiz/ Quick quiz to provide a check on learning – link could be uploaded on to school/college VLE.</p>	10 minutes	

SUGGESTED ACTIVITIES

LO No:	3		
LO Title:	Be able to prepare the principal documents in business transactions		
Title of suggested activity	Suggested activities	Suggested timings	Also related to
Introduction to source documents	Accounting Source Documents Beginner Bookkeeping http://www.beginner-bookkeeping.com/accounting-source-documents.html Summary of the main source documents used in business transactions plus a 10 questions self-check quiz at the end. Learners could be asked to read the web page and answer the questions at the end.	30 minutes	Unit 2 LO3
Applied questions on source documents	<i>AS Accounting for AQA Question Bank</i> , by David Cox and Michael Fardon Osborne Books (2012 edition) Questions 2(a), 3(a) and 4(a) (pages 4–6) require learners to identify the source documents for various types of business transactions (answers provided).	20 minutes	Unit 2 LO3
Cash and trade discounts	After being introduced to cash and trade discounts, learners could be asked to draw upon knowledge from other areas of the specification to brainstorm why a business may offer these types of discounts. Answers may include customer loyalty, to increase cash flow/working capital and to ensure prompt payment. What is a cash discount? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-a-cash-discount.html Explains what a cash discount is and why it might be applied. What is a trade discount? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-a-trade-discount.html Explains what a trade discount is and why it might be applied. What is the accounting for sales discounts? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-the-accounting-for-sales-discounts.html Explains how sales discounts are applied in a double-entry system with worked examples. This could be used as a template to make up further interactive worksheets.	30 minutes	

Title of suggested activity	Suggested activities	Suggested timings	Also related to
<p>Introduction to sales and purchase day books including returns inwards and returns outwards</p> 	<p>The resources below could help with an introduction to this topic. Learners could then be asked to complete the textbook questions – detailed below – as a check on learning.</p> <p>What is the sales day book? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-the-sales-day-book.html Quick summary of the sales day book and the difference between the sales day book and the sales ledger.</p> <p>Purchases Day Book AccountingTools http://www.accountingtools.com/purchases-day-book Quick summary of the purchases day book.</p> <p>Return Outwards vs Return Inwards Principles of Accounts https://principlesofaccountsg.wordpress.com/2011/01/30/return-outwards-vs-return-inwards/ Quick and easy summary of the difference between returns inwards and returns outwards.</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Questions 2(b) and 3(b) (pages 4–6) require learners to complete sales and purchase ledgers from data (answers provided).</p>	40 minutes	

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Introduction to the cash book 	<p>The resources below could help with an introduction to this topic. Learners could then be asked to complete the two sets of textbook questions – detailed below – as a check on learning.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) Chapter 4 (pages 50–56 and 60–61) provides a clear introduction to the cash book and petty cash book with worked examples.</p> <p>Books of original entries – Cash Book Accounting-World http://www.accounting-world.com/2011/10/books-of-original-entries-cash-book.html Detailed explanation of cash books in accounting with worked examples.</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Question 2 (pages 12–13) requires learners to complete a three column cash book from fictional data (Sally Henshaw) (answers provided: 45 minutes approximately). Questions 3(a) and 3(b) (pages 14–15) require learners to complete a three column cash book from fictional data (Emma Maxwell) (answers provided: 45 minutes approximately).</p>	1.5 hours	
Petty cash	<p>After being introduced to the concept of petty cash, learners could be asked to brainstorm answers to the following questions:</p> <ul style="list-style-type: none"> • Why does a business need to monitor petty cash? • How/why might petty cash be abused? Give examples. • What measures might a business adopt to stop abuse of petty cash? <p>What is the petty cash book? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-the-petty-cash-book.html This web page provides a user-friendly summary of what a petty cash book is and why it is used.</p> <p>What is the imprest system? AccountingTools http://www.accountingtools.com/questions-and-answers/what-is-the-imprest-system.html This web page provides a summary of how the imprest system works and why it is used.</p> <p>How to reconcile petty cash AccountingTools http://www.accountingtools.com/questions-and-answers/how-to-reconcile-petty-cash.html This web page provides a summary of steps taken to reconcile petty cash.</p>	30 minutes	

SUGGESTED ACTIVITIES

LO No:	4		
LO Title:	Be able to use basic double entry bookkeeping to prepare a trial balance		
Title of suggested activity	Suggested activities	Suggested timings	Also related to
Introduction to double-entry bookkeeping	<p>This is a topic that needs to be delivered by tutors followed up by practical application tasks. The Open University resource listed below could be adapted into a worksheet. The Alex Byrne publication offers one of the most user friendly introductions to double-entry bookkeeping, examples from which could be adapted for PowerPoint or worksheet use.</p> <p>The key principles of double entry bookkeeping Julia Haigh https://www.youtube.com/watch?v=fea_0J7e6eo&feature=youtu.be A short fun video introducing the principles of double-entry bookkeeping and the accounting equation.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) Chapter 8 (pages 155–163) provides a very clear outline of double-entry bookkeeping. This includes constant reference to a useful grid to help determine whether a transaction is a debit or credit for a particular account.</p> <p>2.5 T-accounts, debits and credits Open University http://www.open.edu/openlearn/money-management/introduction-bookkeeping-and-accounting/content-section-2.5 This fact sheet provides a summary of how to use T-accounts for double-entry bookkeeping with six worked examples – which could be adapted into a worksheet for learners. The fact sheet provides a good follow up to Learning Outcome 2 as there is a clear explanation of debits and credits in the context of the accounting equation.</p> <p>Double Entry Accounting Accounting-Simplified http://accounting-simplified.com/double-entry-accounting.html This link leads to a detailed set of web pages that set out the concept of double-entry, debits and credits, ledger accounts and the accounting equation.</p>	45 minutes	Unit 11 LO2

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Practice applying debits and credits	<p>The links below include a variety of interactive exercises to get learners used to the concepts of debits and credits.</p> <p>Exercise 2: Double Entry Bookkeeping Principles Leoisaac.com http://www.leoisaac.com/fin/exercise02.htm This link leads to a downloadable word document with answers. Learners need to decide whether a business transaction is a debit or a credit and whether the effect is to increase or decrease the account (20 minutes approximately).</p> <p>Exercise 4: Double Entry Bookkeeping (Simple) Leoisaac.com http://www.leoisaac.com/fin/exercise04.htm This link leads to a downloadable word document. Learners need to decide which account to debit/credit in a double-entry system for a variety of business transactions (20 minutes approximately).</p> <p>Debits and Credits Quiz; Debits and Credits Test Double Entry Bookkeeping http://www.double-entry-bookkeeping.com/bookkeeping-basics/debits-and-credits-quiz/ http://www.double-entry-bookkeeping.com/bookkeeping-basics/debits-and-credits-test/ Two 10-question quizzes on debits and credits. These links could be uploaded onto the school or college VLE or used in lesson time as a quick check on learning (30 minutes approximately, allowing time for learners to check their answers).</p>	1.25 hours	
Basic double-entry bookkeeping exercises	<p>The resources below include a variety of interactive exercises to get learners applying their knowledge of double-entry bookkeeping.</p> <p>Exercise 5: Double Entry Bookkeeping Exercise (Intermediate) Leoisaac.com http://www.leoisaac.com/fin/exercise05.htm This link leads to a downloadable word document. Learners need to decide which account to debit/credit in a double-entry system for a variety of business transactions (30 minutes approximately).</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) A simple range of exercises (pages 164–169) to get learners used to the basics of double entry bookkeeping (answers with full explanation provided, 30 minutes approximately).</p>	1 hour	



Title of suggested activity	Suggested activities	Suggested timings	Also related to
Intermediate double-entry bookkeeping exercises	<p>The resources below include a variety of interactive exercises to get learners applying their knowledge of double-entry bookkeeping.</p> <p>Exercise 6: Double Entry Bookkeeping Exercise (Advanced) Leoisaac.com http://www.leoisaac.com/fin/exercise06.htm This link leads to a downloadable word document. Learners need to decide which account to debit/credit in a double-entry system for a variety of business transactions (40 minutes approximately).</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Question 6 (pages 8–10) asks learners to complete double-entry sales and purchase ledgers from information provided in the sales and purchase day books (answers provided, 45 minutes).</p>	1.5 hours	
Trial balance	<p>This Open University resource and the Alex Byrne publication draw upon earlier examples used in activities 1 and 4 above to introduce the trial balance so would be recommended here. Both resources could be used as they are or adapted into worksheets for learners.</p> <p>2.6 Balancing off accounts and preparing a trial balance Open University http://www.open.edu/openlearn/money-management/introduction-bookkeeping-and-accounting/content-section-2.6 This fact sheet uses the same examples given in the earlier OU fact sheet – 2.5 T-accounts, debits and credits – to prepare a trial balance. There is a full explanation of each example. This resource could be used as a fact sheet or adapted into a more interactive worksheet for learners.</p> <p><i>Practical Accounts and Bookkeeping</i>, by Alex Byrne In Easy Steps (2012) Chapter 9 (pages 177–179) introduces the trial balance by using the results from the exercises on pages 164–169 (used in the activity suggested on the previous page). Learners could be asked to complete these exercises in advance so that the exposition of the trial balance will be more familiar to them.</p> <p>Trial balance Accounting-Simplified.com http://accounting-simplified.com/trial-balance.html This link leads to a detailed set of web pages that set out the purpose, limitations and procedure of calculating a trial balance. May be a little too advanced for Level 3 learners but information could be edited/adapted to suit learner needs.</p>	45 minutes	Unit 12 LO3



SUGGESTED ACTIVITIES

LO No:	5		
LO Title:	Be able to reconcile a cash book with a bank statement		
Title of suggested activity	Suggested activities	Suggested timings	Also related to
Methods of payment	<p>Learners could be asked to brainstorm all the ways of paying for goods and services that they know of and then feed back to a general discussion.</p> <p>Learners could then be presented with a series of business payment scenarios. For example, business needs to pay:</p> <ul style="list-style-type: none"> • monthly rent bill • business rates • for weekly supplies of raw materials (e.g. ingredients for a restaurant) • one-off payment to an advertising agency • payment of taxi for delivery of special order. <p>Learners could then be asked to pick the most suitable payment method for this particular scenario and justify their choice.</p> <p>Payment Methods Out of Your Hands http://www.outofyourhands.com/out-of-your-pocket/business-studies-2/payment/ This web page gives an outline of various different payment methods. This information could be adapted into a worksheet or just given to learners as a source to find information from.</p>	40 minutes	
Methods of payment: Top Trumps card game	<p>The two web pages below outline a Top Trumps game that could be used as a fun and informative way to introduce the advantages and disadvantages of different payment methods for both customers and businesses.</p> <p>When the game is finished the downloadable cards provide a good informative fact sheet that learners could add to their notes.</p> <p>Top Trumps Out of Your Hands http://www.outofyourhands.com/out-of-your-pocket/business-studies-2/payment/ http://www.outofyourhands.com/wp-content/uploads/2014/01/OOY_POCKET_TOPTRUMPS11.12.13..pdf The first web page outlines the rules of the game. The second page opens a link to downloadable cards that need to be used in the game and are also a useful takeaway fact sheet for learners.</p>	40 minutes	

Title of suggested activity	Suggested activities	Suggested timings	Also related to
Introduction to bank reconciliation	<p>Learners could be given this scenario:</p> <p>They have been approached by a friend who owns a small business and is concerned that the figures in the cash book do not match the figures in the bank statement. Using their knowledge of bank reconciliation, they need to write to their friend suggesting why the figures may not match up and what the friend may need to do to rectify it.</p> <p>Bank reconciliation Wikipedia https://en.wikipedia.org/wiki/Bank_reconciliation This Wikipedia page gives a brief and clear summary of the what a bank reconciliation and how it is completed.</p> <p>Bank Reconciliation AccountingExplained http://accountingexplained.com/financial/cash-and-equiv/bank-reconciliation This web page gives a detailed outline of bank reconciliations and why figures may not match up. It also gives a fully worked solution to bank reconciliation.</p> <p>How to Prepare a Bank Reconciliation Part 1 Accountancy Learning Ltd https://www.youtube.com/watch?v=HLkN6hwi3DM This video (4.45 minutes) is a basic introduction to bank reconciliation including how to update the cash book to match the bank statement. Part 2 follows on at the end of the video and this looks at identifying errors.</p>	1 hour	
Bank reconciliation exercise 1	<p>The resource below is an interactive exercise to get learners applying their knowledge of bank reconciliation.</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition) Question 1 (pages 16–17) asks learners to make entries from fictional data (Jayne Carter) into a cash book, prepare a bank reconciliation statement and state the case for reconciling cash book and bank statement balances (answers provided).</p>	50 minutes	



Title of suggested activity	Suggested activities	Suggested timings	Also related to
Bank reconciliation exercise 2 	<p>The resource below is an interactive exercise to get learners applying their knowledge of bank reconciliation.</p> <p><i>AS Accounting for AQA Question Bank</i>, by David Cox and Michael Fardon Osborne Books (2012 edition)</p> <p>Question 2 (pages 18–19) asks learners to make entries from fictional data (Samantha Villona) into a cash book and prepare a bank reconciliation statement (answers provided).</p>	40 minutes	
Bank reconciliation exercise (advanced) 	<p>The resource below is a lengthy interactive exercise – using information from a variety of sources – to get learners applying their knowledge of bank reconciliation.</p> <p>Exercise 14: Performing a Bank Reconciliation Leoisaac.com http://www.leoisaac.com/fin/exercise14.htm</p> <p>This link leads to downloadable word documents. Learners have to prepare a bank reconciliation from the information given.</p>	1.5 hours	



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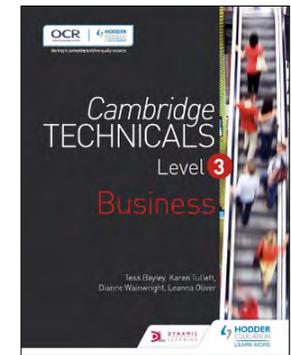
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