

**LEVEL 2 AWARD IN BOOKKEEPING AND ACCOUNTING SKILLS (MANUAL) MARKING GUIDANCE
 M6 PREPARING AND RECORDING FINANCIAL DOCUMENTATION**

DETAILS		FAULT AREAS	FAULT TYPE
Candidates will be allowed 2 hours to complete this assessment VAT Rates: The Standard Value Added Tax (VAT) rate in use in this assignment will be stated in the assignment. VAT rounding up or down to the nearest 1p will be accepted without penalty. Note: Monetary amounts MUST be shown to 2 decimal places . It is recommended that candidates approach the tasks in the order in which they are listed in the assignment.			
ENTER COMPANY NAME			
Enter Company Name	Candidate to enter the name of the company for which they are working	Company name incorrect or omitted	T

FAULT TYPES: **T** = Textual Accuracy **N** = Numerical Accuracy **C** = Conceptual Accuracy

PREPARE SALES INVOICES AND SALES CREDIT NOTE(S)			
Prepare Sales Invoices	Candidate to prepare sales invoices using information provided about the company and customers and details found in purchase orders and a stock price list Enter the correct company name, address and VAT registration number. Enter the customer name and address, invoice number, date and purchase order number Enter the quantity, stock code, description, unit price and net amount of each stock item Enter the subtotal of the net amounts and calculate, enter and subtract the trade discount. Calculate and add the VAT ensuring that any cash discount offered is taken into account. Add the VAT and enter the invoice total Ensure that the details of both the trade discount and any cash settlement discount offered is entered on the invoice	Company name, address or VAT registration number incorrect or omitted	T
		Customer name and address incorrect or omitted	T
		Invoice number, date or purchase order number incorrect or omitted	T
		Stock quantity incorrect or omitted	T
		Unit price incorrect or omitted	N
		Net price incorrect or omitted	N
		Subtotal incorrect or omitted	N
		Trade discount incorrect or omitted	N
		Subtotal (net amount) incorrect or omitted	N
		VAT amount incorrect or omitted	N
		Invoice total incorrect or omitted	N
		Stock details incorrect or omitted	C
		Company and customer information reversed	C
		Wrong customer invoiced	C
Stock code incorrect or omitted	C		
Trade discount or cash settlement discount information incorrect or omitted	C		

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<p>Prepare Sales Credit Note(s)</p>	<p>Candidate to prepare sales credit note(s) using information provided about the company and customers and details found in goods returned note(s) and a stock price list Enter the correct company name, address and VAT registration number Enter the customer name and address, credit note number, date and purchase order number Enter the quantity, stock code, description, unit price and net amount of each stock item Enter the subtotal of the net amounts and calculate, enter and subtract the trade discount. Calculate and add the VAT ensuring that any cash discount offered is taken into account. Add the VAT and enter the invoice total Ensure that the details of both the trade discount and any cash settlement discount offered is entered on the credit note</p>	<p>Company name, address or VAT registration number incorrect or omitted Customer name and address incorrect or omitted Credit note number, date or purchase order number incorrect or omitted Stock quantity incorrect or omitted Unit price incorrect or omitted Net price incorrect or omitted Subtotal incorrect or omitted Trade discount incorrect or omitted Subtotal (net amount) incorrect or omitted VAT amount incorrect or omitted Invoice total incorrect or omitted Company and customer information reversed Wrong customer credited Stock code incorrect or omitted Stock details incorrect or omitted Trade discount or cash settlement discount information incorrect or omitted</p>	<p>T T T T N N N N N N N C C C C C</p>
<p>ENTER SALES INVOICES AND SALES CREDIT NOTE(S) INTO THE RELEVANT BOOKS OF PRIME ENTRY (DAY BOOKS)</p>			
<p>Enter the Sales Invoices and Credit Notes into the Day Books</p>	<p>Candidate to enter the sales invoices and sales credit note(s) into the relevant day books Enter the date, reference (invoice number), customer, net, VAT and gross amounts of each invoice into the sales day book Enter the date, reference (credit note number), customer, net, VAT and gross amounts of each credit note into the sales returns day book</p>	<p>Date incorrect or omitted Reference incorrect or omitted Customer account name incorrectly spelt Net amount incorrect or omitted VAT amount incorrect or omitted Gross amount incorrect or omitted Customer account name omitted Invoice/credit note entered into wrong account</p>	<p>T T T N N N C C</p>

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CHECK ACCURACY OF PAYMENTS RECEIVED FROM CUSTOMERS. ENTER INFORMATION FROM PAYMENTS NOT VALID IN THE TABLE PROVIDED AND SUGGEST STEPS TO RECTIFY THE ERROR(S)

Check Accuracy of Payments Received	<p>Candidate to check the accuracy of payments received from customers and check them against supporting documentation</p> <p>These may be in the form of cheques, cash or electronic transfers</p> <p>Check that date and payee of payments are correct</p> <p>Check that the amount of any payment is for the correct invoice amount and that any cash settlement discount has been correctly calculated (includes checking that the period within which settlement discount may be taken is correct)</p> <p>Check that the figures and words on any cheque agree and that the cheque has been signed</p> <p>If any payments are not valid enter your name and date specified in the memo provided</p> <p>Enter the document reference, customer name and details of the payment(s) which are not valid and the reason for being unable to process them</p> <p>Suggest briefly what steps should be taken to rectify any error(s) discovered</p>	<p>Candidate name incorrect or omitted</p> <p>Date incorrect or omitted</p> <p>Document information incorrectly spelt</p> <p>Document information omitted</p> <p>Information from incorrect document entered</p> <p>Reason for not processing document incorrect or omitted</p> <p>Steps to rectify error(s) not acceptable</p>	<p>T</p> <p>T</p> <p>T</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>
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POST INFORMATION FROM THE BOOKS OF PRIME ENTRY (DAY BOOKS), PAYMENT(S) RECEIVED AND SETTLEMENT DISCOUNT TO THE SALES LEDGER AND BALANCE THE ACCOUNTS

Post Information to Sales Ledger Accounts	<p>Candidate to post information from the day books, payments received and settlement discount to the sales ledger accounts</p> <p>Enter the sales ledger customer account names</p> <p>Post the invoice and credit note information from the day books to the relevant sales ledger account</p> <p>Enter the information from valid payments received including any settlement discount</p> <p>Balance the accounts which have more than one entry</p>	<p>Account name incorrectly spelt or omitted</p> <p>Date incorrect or omitted</p> <p>Amount incorrect or omitted</p> <p>Balance carried down incorrect or omitted</p> <p>Totals incorrect or omitted</p> <p>Balance brought down incorrect or omitted</p> <p>Narrative incorrect or omitted</p> <p>Details entered at incorrect side of account</p> <p>Transaction omitted</p>	<p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>N</p> <p>N</p> <p>C</p> <p>C</p> <p>T/N/C</p>
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PRODUCE A STATEMENT OF ACCOUNT			
Produce a Statement of Account	<p>Candidate to produce a statement of account to be sent to the customer(s) specified</p> <p>Enter the correct company name, address and VAT registration number.</p> <p>Enter the customer name and address, statement number and date</p> <p>Enter the date, reference and relevant details</p> <p>Enter the amount of each transaction into the correct debit or credit column</p> <p>Calculate the balance after each entry and enter it in the balance column, showing whether it is a debit or credit balance</p> <p>Enter the total amount due</p> <p>Ensure that the details of any cash settlement discount offered is entered on the statement</p>	<p>Company name, address or VAT registration number incorrect or omitted</p> <p>Customer name and address incorrect or omitted</p> <p>Statement number or date incorrect or omitted</p> <p>Cash settlement discount details incorrect or omitted</p> <p>Amount of each transaction incorrect or omitted</p> <p>Amount of the balance incorrect or omitted</p> <p>Amount due incorrect or omitted</p> <p>Company and customer information reversed</p> <p>Statement produced for incorrect customer</p> <p>Narrative incorrect or omitted</p> <p>Transaction amounts in incorrect column</p> <p>Debit or credit balance reference incorrect</p>	<p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>N</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>

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CHECK ACCURACY OF INVOICES AND CREDIT NOTES RECEIVED FROM SUPPLIERS			
<p>Check the Accuracy of Invoices Received</p>	<p>Candidate to check the accuracy of invoices received from suppliers using information provided about the suppliers and their stock lists and details found in goods received notes and/or purchase orders and/or delivery notes</p> <p>Check that the invoice is from the correct supplier and uses the correct purchase order reference</p> <p>Check that the stock on the invoice is for the correct quantity, stock code and description as all documentation</p> <p>Check that the correct stock unit price has been used (taking into account bulk discount)</p> <p>Check that the correct net, trade discount and VAT amounts have been calculated and applied (ensure that VAT amount has taken cash settlement discount into account)</p> <p>Check that the correct subtotals and invoice total have been calculated</p> <p>If any invoices are not accurate enter your name and date specified in the memo provided</p> <p>Enter the document reference, supplier name and details of the invoice(s) which are incorrect and the reason for being unable to process them</p> <p>Suggest briefly what steps should be taken to rectify any error(s) discovered</p>	<p>Candidate name incorrect or omitted</p> <p>Date incorrect or omitted</p> <p>Document information incorrectly spelt</p> <p>Document information omitted</p> <p>Information from incorrect document entered</p> <p>Reason for not processing document incorrect or omitted</p> <p>Steps to rectify error(s) not acceptable</p>	<p>T</p> <p>T</p> <p>T</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p> <p>C</p>

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<p>Check the Accuracy of Credit Notes Received</p>	<p>Candidate to check the accuracy of credit notes received from suppliers using information provided about the suppliers and their stock lists and details found in goods returned notes Check that the credit note is from the correct supplier and uses the correct purchase order reference Check that the stock on the credit note is the correct quantity, stock code and description as all documentation Check that the correct stock unit price has been used (taking into account bulk discount) Check that the correct net, trade discount and VAT amounts have been calculated and applied (ensure that VAT amount has taken cash settlement discount into account) Check that the correct subtotals and credit note total have been calculated If any credit notes are not accurate enter your name and date specified in the memo provided Enter the document reference, supplier name and details of the credit note(s) which are incorrect and the reason for being unable to process them Suggest briefly what steps should be taken to rectify any error(s) discovered</p>	<p>Purchase order number incorrect or omitted Credit note number incorrect or omitted Credit note indicated for referral to supplier incorrect or omitted Information from incorrect document entered Reason for credit note not to be processed incorrect or omitted Steps to rectify error(s) not acceptable</p>	<p>T T C C C C</p>
<p>ENTER CORRECT PURCHASE INVOICES AND PURCHASE CREDIT NOTE(S) INTO THE RELEVANT BOOKS OF PRIME ENTRY (DAY BOOKS)</p>			
<p>Enter the Purchase Invoices and Credit Notes into the Day Books</p>	<p>Candidate to enter the correct purchase invoices and purchase credit note(s) into the relevant day books Enter the date, reference (invoice number), supplier, net, VAT and gross amounts of each invoice into the purchases day book Enter the date, reference (credit note number), supplier, net, VAT and gross amounts of each credit note into the purchase returns day book</p>	<p>Date incorrect or omitted Reference incorrect or omitted Supplier account name incorrectly spelt Net amount incorrect or omitted VAT amount incorrect or omitted Gross amount incorrect or omitted Supplier account name omitted Wrong supplier name entered Invoice/credit note entered into wrong account</p>	<p>T T T N N N C C C</p>

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POST INFORMATION FROM THE BOOKS OF PRIME ENTRY (DAY BOOKS) TO THE PURCHASE LEDGER AND BALANCE THE ACCOUNTS			
Post Information to Purchase Ledger Accounts	<p>Candidate to post information from the day books to the purchase ledger accounts</p> <p>Enter the purchase ledger supplier account names</p> <p>Post the invoice and credit note information from the day books to the relevant purchase ledger account</p> <p>Balance the accounts which have more than one entry</p>	<p>Account name incorrectly spelt or omitted</p> <p>Date incorrect or omitted</p> <p>Amount incorrect or omitted</p> <p>Balance carried down incorrect or omitted</p> <p>Totals incorrect or omitted</p> <p>Balance brought down incorrect or omitted</p> <p>Narrative incorrect or omitted</p> <p>Details entered at incorrect side of account</p> <p>Entry omitted</p>	<p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>N</p> <p>N</p> <p>C</p> <p>C</p> <p>T/N/C</p>
RECONCILE SUPPLIER STATEMENTS WITH RELEVANT DOCUMENTATION AND COMPLETE A RECONCILIATION STATEMENT IF APPROPRIATE			
Reconcile Supplier Statements with Relevant Documentation	<p>Candidate to reconcile supplier statements with relevant documentation</p> <p>Check statement information against information from the purchase ledger accounts and any invoices and credit notes which have not yet been processed</p> <p>Complete a reconciliation statement for any supplier whose statement does not agree with the purchase ledger account balance</p> <p>Enter the supplier name and date of the reconciliation statement</p> <p>Enter the balance of the purchase ledger account as at the last day of the month</p> <p>Enter invoice or credit note information which does not appear in the purchase ledger or that the supplier has omitted</p> <p>Calculate the final balance, which should be that on the statement received from the supplier</p>	<p>Supplier name incorrectly spelt</p> <p>Date incorrect or omitted</p> <p>Invoice or credit note number incorrect or omitted</p> <p>Balance as per purchase ledger incorrect or omitted</p> <p>Invoice or credit note total incorrect or omitted</p> <p>Balance as per statement incorrect or omitted</p> <p>Supplier name incorrect or omitted</p> <p>Invoice or credit note omitted from reconciliation statement</p> <p>Incorrect invoice or credit note included in reconciliation statement</p>	<p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>N</p> <p>C</p> <p>C</p> <p>C</p>

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CALCULATE PAYMENT DUE TO SPECIFIED SUPPLIER AND PREPARE REMITTANCE ADVICE NOTE			
Calculate Payment and Prepare Remittance Advice Note	<p>Candidate to calculate payment due to specified supplier and prepare remittance advice note to accompany payment</p> <p>Calculate the payment due and cash settlement discount offered (if appropriate) from supplier information and the purchase ledger account</p> <p>Enter the company name and address, supplier name and address, the date and cheque number which will be used for payment</p> <p>Enter the date, reference and relevant details of invoices and credit notes being paid</p> <p>Enter the amount of each invoice or credit note into the correct debit or credit column</p> <p>Enter the date, cheque number, payment details and payment amount in the debit column</p> <p>Enter the date, details and settlement discount in the debit column (if payment date is within the period during which settlement discount may be taken)</p> <p>Enter amount to be paid by cheque</p>	<p>Company name or address incorrect or omitted</p> <p>Supplier name and address incorrect or omitted</p> <p>Date or cheque number incorrect or omitted</p> <p>Invoice or credit note amount incorrect or omitted</p> <p>Cheque amount incorrect or omitted</p> <p>Settlement discount amount incorrect or omitted</p> <p>Remittance advice produced for incorrect supplier</p> <p>Narrative incorrect or omitted</p> <p>Transaction amounts in incorrect column</p>	<p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>N</p> <p>N</p> <p>C</p> <p>C</p> <p>C</p>
PREPARE A CHEQUE READY FOR SIGNING			
Prepare a Cheque	<p>Candidate to prepare a cheque ready for signing by the company director</p> <p>Enter the date of payment and the supplier name as payee</p> <p>Enter the amount due to be paid shown on the remittance advice note. Ensure both words and figures show the same amount</p> <p>DO NOT sign the cheque</p>	<p>Date incorrect or omitted</p> <p>Payee incorrect or omitted</p> <p>Amount of cheque in words incorrectly spelt</p> <p>Signature on cheque (candidate should not sign cheque)</p> <p>Amount of cheque in figures incorrect or omitted</p> <p>Amount or cheque in words not identical to amount in figures</p> <p>Amount of cheque in words omitted</p>	<p>T</p> <p>T</p> <p>T</p> <p>T</p> <p>N</p> <p>C</p> <p>C</p>

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