

Unit Title:	Maintaining and reconciling the cashbook
OCR unit number:	M7
Level:	2
Credit value:	2
Guided learning hours:	12
Unit reference number:	L/600/8759

Unit purpose and aim

The purpose of this unit is to develop learners' skills in maintaining the cash book by entering receipts and payments accurately, balancing off the cash book and reconciling with a bank statement.

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
<p>The learner will:</p> <p>1 Maintain a three column analysed cash book</p>	<p>The learner can:</p> <p>1.1 Enter receipts and payments details from relevant primary records into the three column analysed cashbook</p> <p>1.2 Enter sales tax (eg VAT) where applicable</p> <p>1.3 Total, balance and cross cast the cashbook</p>	<ul style="list-style-type: none"> • Enter accurate opening balances into three column cash book • Enter correct dates and business names for cheques received • Enter correct dates and business names or nominal account names for cheques paid • Calculate and enter cash discount • Enter cheque numbers • Enter cash sales and sales tax • Enter cash purchases and tax • Use correct procedures for balancing • Accurately calculate and enter cash and bank balance to carry down • Accurately calculate and enter discount totals, cash and bank totals

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	1.4 Identify and deal with discrepancies	<ul style="list-style-type: none"> • Enter cash and bank balances brought down • Identify discrepancies between balance in cash book and balance on bank statement
2 Reconcile a bank statement with the cashbook	<p>2.1 Check individual items on the bank statement accurately against the cashbook to identify differences</p> <p>2.2 Update the cashbook from the bank statement, direct debit and standing order schedules</p>	<ul style="list-style-type: none"> • Compare individual items on bank statement against entries in cash book to identify differences • Update cash book by entering details and references of bank payments, for example: <ul style="list-style-type: none"> - by standing order - direct debit - Bankers Automated Clearing System (BACS) - Clearing House Automated Payment System (CHAPS) - refer to drawer - funds transfers • Update bank receipts, for example: <ul style="list-style-type: none"> - Bankers Automated Clearing System (BACS) - bank giro credit - Clearing House Automated Payment System (CHAPS) - funds transfers • Accurately update cash book from details of transactions that appear on bank statement • Accurately calculate and enter updated bank balance to carry down and bank totals • Enter updated bank balance brought down

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
	2.3 Prepare a bank reconciliation statement	<ul style="list-style-type: none"> • Prepare and date a bank reconciliation statement showing full details of unpresented cheques and bank lodgements • Reconcile with balance as per bank statement.

Assessment

Assessment will consist of candidates completing a 1 hour assignment set and marked by OCR. There will be 10 minutes reading time before the 1 hour assignment starts. The assignment may be taken at any time convenient to the centre and the candidate, but must be taken under examination conditions.

Results will be graded Pass or Fail.

Evidence requirements

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

Guidance on assessment and evidence requirements

All elements included in the 'Knowledge, understanding and skills' section can be included in the assignment.

Details of relationship between the unit and national occupational standards

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

Additional information

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