

Unit Title:	Setting up accounting software to manage accounting information
OCR unit number:	C4
Level:	2
Credit value:	3
Guided learning hours:	15
Unit reference number:	F/601/3649

Unit purpose and aim

Upon the completion of study for this unit, it is intended that the candidate will be able to:

- Understand the business and computer environment
- Set up company information on accounting software
- Create and maintain accounts and enter opening balances
- Enter transactions into the sales and purchase ledgers
- Enter transactions into the nominal ledger
- Make journal entries where appropriate
- Produce management information relating to customers and suppliers
- Produce reports using selection criteria and parameters

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
<p>The learner will:</p> <p>1 Be able to enter and/or restore data using a computerised accounting package at the start of the financial year</p>	<p>The learner can:</p> <p>1.1 Enter and/or restore data accurately, for example:-</p> <ul style="list-style-type: none"> • Company name and address • Financial year • Program date • Customer details • Supplier details • Nominal accounts • VAT scheme 	<p>Enter, restore or amend:</p> <ul style="list-style-type: none"> • Company name and address • Financial year • Program date • Customer reference, name and address • Customer contact and telephone number • Supplier reference, name and address

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
		<ul style="list-style-type: none"> • Supplier contact and telephone number • Nominal account reference and name • Bank account name, reference and details • VAT Scheme
<p>2 Be able to set up assets, liabilities, capital and budgets</p>	<p>2.1 Enter nominal account opening balances</p> <p>2.2 Enter budgets</p>	<p>Enter, restore or amend:</p> <ul style="list-style-type: none"> • Nominal account opening balances • Bank account opening balances • Missing information <p>Enter, restore or amend:</p> <ul style="list-style-type: none"> • Nominal account budgets
<p>3 Be able to record customer and supplier invoices and credit notes</p>	<p>3.1 Enter invoices and credit notes into the correct customer and supplier accounts, using the correct data and appropriate reference and details</p>	<p>Identify the correct:</p> <ul style="list-style-type: none"> • Customer account • Supplier account • Transaction type • Missing information <p>Enter, restore or amend:</p> <ul style="list-style-type: none"> • Transaction date • Transaction reference • Customer opening balances • Supplier opening balances • Customer invoices and credit notes • Supplier invoices and credit notes • Nominal account • Details • Gross amount • Net amount • Tax code • Tax amount

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
<p>4 Be able to process receipts from customers</p>	<p>4.1 Allocate monies received by cheque, cash and automatic transfer to the correct customer account, for example:</p> <ul style="list-style-type: none"> • Part payment • Payments made on account • Payments taking account of credit notes • Payments taking account of previous payments on account • Settlement discount <p>4.2 Enter the correct reference and date</p> <p>4.3 Identify amounts owed by customers</p> <p>4.4 Process bad debts, contra entries and dishonoured cheques</p>	<p>Allocate monies received by cheque, cash and automatic/electronic transfer to the correct customer account:</p> <ul style="list-style-type: none"> • To the correct account • To the correct invoice(s) • Taking into account credit note(s) • As full payment • As part payment • As payment on account • Taking into account previous payments on account • Including settlement discount <p>Enter:</p> <ul style="list-style-type: none"> • Correct bank/cash account • Correct reference • Correct date <p>Identify amounts owed by:</p> <ul style="list-style-type: none"> • Customer account • Invoice date • Aged debtors' list <p>Process:</p> <ul style="list-style-type: none"> • Bad debts • Contra entries • Dishonoured cheques • Write off transaction

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
<p>5 Be able to process payments to suppliers</p>	<p>5.1 Allocate monies paid by cheque, cash and automatic transfer to the correct supplier account, for example:-</p> <ul style="list-style-type: none"> • Part payment • Payments made on account • Payments taking account of credit notes • Payments taking account of previous payments on account • Settlement discount <p>5.2 Enter the correct reference and date</p> <p>5.3 Identify amounts due for payment to suppliers</p> <p>5.4 Process contra entries</p>	<p>Enter correct information for monies paid:</p> <ul style="list-style-type: none"> • To the correct account • To the correct invoice(s) • Taking into account credit note(s) • As full payment • As part payment • As payment on account • Taking into account previous payments on account • Including settlement discount <p>Enter:</p> <ul style="list-style-type: none"> • Correct bank/cash account • Correct reference • Correct date <p>Identify amounts due by:</p> <ul style="list-style-type: none"> • Supplier account • Invoice date • Aged creditors' list <p>Process:</p> <ul style="list-style-type: none"> • Contra entries • Write off account
<p>6 Be able to process non-credit payments and receipts</p>	<p>6.1 Process cash and cheque payments and receipts for expenditure and income made on a non-credit basis</p> <p>6.2 Calculate the tax element (eg VAT) where the gross amount and the rate of tax is given, for both payments and receipts</p>	<p>Identify correct:</p> <ul style="list-style-type: none"> • Bank/cash account • Processing type; payment, receipt or transfer • Reference • Date • Nominal account • Details <ul style="list-style-type: none"> • Gross amount • Net amount • Tax code • Tax amount

Learning outcomes	Assessment criteria	Knowledge, understanding and skills
7 Be able to process journals	7.1 Process journals for at least three of the following transactions: <ul style="list-style-type: none"> • Record the purchase of new fixed assets • Make simple corrections to nominal ledger accounts • Record goods taken by the owner for own use where tax (eg VAT) is not involved • Record assets introduced by the owner • Process bad debts from non-credit customers 	<ul style="list-style-type: none"> • Purchase of new fixed assets • Simple corrections to nominal ledger accounts • Goods and/or cash taken by the owner for own use, where VAT is not involved • Assets introduced by the owner • Bad debts from non-credit customers
8 Be able to produce reports using selection criteria and parameters	8.1 Produce a variety of routine reports using correct selection criteria and parameters, for example:- <ul style="list-style-type: none"> • Customer and Supplier Address Lists • Customer and Supplier Histories/Activity • Aged Debtors and Aged Creditors Analysis • Remittance Advice Notes • Customer Statements • Budget Reports • Nominal Account Activity • Audit Trail • Trial Balance 	<ul style="list-style-type: none"> • Customer address list • Supplier address list • Customer histories/activity report • Supplier histories/activity report • Aged debtors' analysis • Aged creditors' analysis • Nominal account histories/activity report • Bank and/or cash activity report • Bank receipts day book • Bank payments day book • Cash receipts day book • Cash payments day book • Remittance advice note • Customer statement • Customer overdue letter • Budget report • Audit trail • Trial balance

Assessment

Assessment will consist of candidates producing specified printed reports within 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 candidate, but must be taken under examination conditions.

Results will be graded Pass or Fail.

Evidence requirements

Candidates must complete the OCR assignment for this unit within the designated fault tolerances. Candidates **must** carry out all their own printing.

Guidance on assessment and evidence requirements

The assignment is not software specific. Candidates must use the nominal accounts specified and must not create, amend or use any other nominal accounts unless instructed to do so.

Candidates must ensure their name is shown on each submitted report.

A copy of the Tutor Set-up must be sent with each completed batch of scripts dispatched to the Examiner-Moderator.

All elements included in the 'Knowledge, Understanding & Skills' section can be included in the Assignment, but may be varied from one assignment to another.

Details of relationship between the unit and national occupational standards

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

Resources

Equipment:

- Bookkeeping/accounting software that enables candidates to meet the assessment criteria. OCR will not make allowances for software that does not permit candidates to achieve the objectives as specified.
- Printer
- Stationery: A4 plain paper will be required

Administration guidance

In order to ensure that the equipment will allow candidates to meet the assessment criteria, centres must ensure that tutors work the assignments in advance of assessment, using the chosen software and hardware.

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 .