XSQA

UNIT   Computer Applications — Accounting

CODE   F212 11

SUMMARY

This Unit is designed to enable candidates to use a commercial accounting software package to set up and maintain accounting records; to process accounting transactions and to produce accounting reports for management. It is intended for candidates who are already familiar with a manual book-keeping system and who wish to extend their knowledge to a computerised system. Alternatively, it may be taken by candidates who are already familiar with a number of computer application packages and wish to extend their knowledge to an accounting software package.

OUTCOMES

1   Use accounting software to set up and maintain accounting records.
2   Use accounting software to process a range of accounting transactions.
3   Use accounting software to generate management reports.

RECOMMENDED ENTRY

While entry is at the discretion of the centre, it would be beneficial if the candidate had previous experience of a manual book-keeping or accounting system. This may be evidenced by possession of the following or equivalent: D0W0 11 *Recording of Cash Data* and D0W1 11 *Recording of Credit Data*.

Alternatively, it would be beneficial if the candidate had previous experience of other software application packages. This may be evidenced by possession of the following or equivalent: D16E 11 *Computer Applications Package (Spreadsheet): Practitioners* and/or D16F *11 Computer Applications Package (Word Processing): Practitioners*.

Administrative Information

Superclass: CD

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Version: 01

National Unit Specification: general information (cont)

UNIT   Computer Applications — Accounting

CREDIT VALUE

1 credit at Intermediate 2 (6 SCQF credit points at SCQF level 5*).

SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.

CORE SKILLS

There is no automatic certification of Core Skills in this Unit.

National Unit Specification: statement of standards

UNIT   Computer Applications — Accounting

Acceptable performance in this Unit will be the satisfactory achievement of the standards set out in this part of the Unit Specification. All sections of the statement of standards are mandatory and cannot be altered without reference to the Scottish Qualifications Authority.

OUTCOME 1

Use accounting software to set up and maintain accounting records.

Performance Criteria

(a) Input company details.
(b) Create new accounting records for assets, liabilities, income and expenses.
(c) Amend existing accounting records.
(d) Back up data files.

OUTCOME 2

Use accounting software to process a range of accounting transactions.

Performance Criteria

(a) Batch process a range of business documents.
(b) Use batch totals where appropriate to ensure accuracy of input data.
(c) Back up data files.

OUTCOME 3

Use accounting software to generate management reports.

Performance Criteria

(a) Produce a range of accounting reports to check accuracy of input data.
(b) Produce a range of accounting reports for management purposes.
(c) Back up data files.

National Unit Specification: statement of standards (cont)

UNIT   Computer Applications — Accounting

EVIDENCE REQUIREMENTS FOR THIS UNIT

The evidence must be produced in open-book conditions using a single assignment with a two hour time limit. The performance evidence must consist of accounting data files saved using an appropriate medium and printed reports as indicated below. The performance evidence must demonstrate that the candidate has achieved all Outcomes and Performance Criteria.

The candidate will be supplied with a data file that contains the following data:

♦ six customers (all have outstanding invoices for two months prior to the current month)
♦ six suppliers (all have outstanding invoices for two months prior to the current month)
♦ nominal ledger accounts with opening balances in the following accounts:
   — fixtures and fittings
   — office furniture
   — motor vehicles
   — stock
   — bank
   — cash and capital

Tasks to be undertaken by candidate in the assignment:

The candidate is required to create:

♦ two new customer accounts
♦ two new supplier accounts
♦ two new nominal ledger accounts

The candidate is required to amend:

♦ company name (change to candidate's name)
♦ two existing customer accounts
♦ two existing supplier accounts

The candidate is required to process the following transactions:

♦ six sales invoices (including standard rated VAT, zero rated VAT and VAT Exempt)	♦ six purchase invoices (including standard rated VAT, zero rated VAT and VAT Exempt)
♦ three sales credits	♦ three purchase credits
♦ four receipts from debtors	♦ four payments to creditors
♦ six other bank payments (including two standing orders)	♦ four other bank receipts
♦ four cash payments	♦ four cash receipts
♦ two direct debit payment	♦ one transfer from cash to bank
♦ two error corrections	♦ closing stock journal

National Unit Specification: statement of standards (cont)

UNIT   Computer Applications — Accounting

The candidate is required to print the following reports:

Trial Balance and Audit Trail; VAT Return; Aged analysis of debtors and Debtor reminder letter.

The candidate is required to back up data files.

Where appropriate, candidates will be supplied with batch totals to allow them to check the accuracy of input data. Where a candidate makes an error in data input, the candidate will be expected to use the error correction routines in the software package to correct the error(s).

National Unit Specification: support notes

UNIT   Computer Applications — Accounting

This part of the Unit Specification is offered as guidance. The support notes are not mandatory.

While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

GUIDANCE ON THE CONTENT AND CONTEXT FOR THIS UNIT

Purchase and sales invoices to include standard rated VAT and zero rated VAT supplies. Some invoices to include both standard rated and zero rated items in the same invoice.

Purchase and sales credits to include standard rated VAT and zero rated VAT supplies.

Receipts from debtors to incorporate discount allowed. Some receipts to include settlement of an invoice against which a credit note has been issued.

Payments to creditors to incorporate discount received. Some payments to include settlement of an invoice against which a credit note has been issued.

Other bank payments to include payments for supplies that are standard rated VAT, zero rated VAT and VAT exempt. Bank payments to include payments for expenses and for the acquisition of fixed assets.

Other bank receipts to include receipts for items that are standard rated VAT, zero rated VAT and VAT exempt. Other bank receipts to include receipt of non-sales income; receipt of loan or additional owner's capital.

The processing of standing orders to be done using the routines incorporated within the software package to process such transactions.

Examples of errors that the candidate might be expected to correct are:

Error of original entry — for example the error could be the transposition of a figure in a business document (for example in an invoice or a credit note).

Error of commission — for example an amount could be posted to an incorrect nominal ledger account (for example business rates posted in error to insurance).

If the candidate makes an error when processing transactions and discovers the error after posting the transaction then the candidate should be able to correct the error using the error correction routines available in the software package.

Candidates should produce an aged analysis of debtors and produce an appropriate reminder letter to be sent to an appropriate customer ie the version of the letter will be appropriate to the age of the debt.

Candidates should check batch totals supplied in class work and in assessment using batch totals on screen or by looking at appropriate day books to check batch totals.

National Unit Specification: support notes (cont)

UNIT　　　Computer Applications — Accounting

Candidates should produce a trial balance for use in checking the accuracy of data input. An audit trail should also be produced to allow checking of data input.

Candidates should back up data files and these should be retained as part of the performance evidence. Back up files should be held on two separate media for security purposes eg on hard disk and on data stick.

GUIDANCE ON LEARNING AND TEACHING APPROACHES FOR THIS UNIT

Candidates should learn how to use the software package through completing a number of tasks set by the centre, allowing them to gain the competencies required to cover all Outcomes and all Performance Criteria. The centre should design these tasks and set up appropriate accounting data files for candidates to load to their own computer before performing the tasks set by the centre.

The candidate should build up a file of class work in preparation for the assessment. Checking of the candidate's work may be carried out by the centre. Alternatively, once the candidate is more experienced, the candidate could check off their own work against answers supplied by the centre. Given below is an example of a document on which the candidate could record their progress through the tasks as they are completed.

Tasks and Checks	Candidate Record of Tasks Completed	Date Completed	Checked by (initials)
Task 1	Load Accounting Data Files		
Task 1	Change Company Name and Change System Date		
Check 1	Check data files, name and date on screen		
Task 2	Create 4 new customers, amend 4 existing customers		
Check 2	Print Customer Address List		
Task 3	Create 4 new suppliers, amend 4 existing suppliers		
Check 3	Print Supplier Address List		
Task 4	Create 6 new nominal ledger accounts		
Check 4	Print Nominal Ledger Code List		
Task 5	Process a batch of invoices sent to customers		
Check 5	Print Day Book — Customer Invoices & Trial Balance		
Task 6	Process a batch of credits sent to customers		
Check 6	Print Day Book — Customer Credits & Trial Balance		
Task 7	Process a batch of invoices received from suppliers		
Check 7	Print Day Book — Supplier Invoices & Trial Balance		
Task 8	Process a batch of credits received from suppliers		
Check 8	Print Day Book — Supplier Credits & Trial Balance		
REVISION 1	Process four batches of business documents — sales and purchase invoices and credits		
CHECK	Print appropriate day books and Trial Balance		
Task 9	Process a batch of cheques received from debtors		
Check 9	Print Day Books — Customer Receipts & Discounts and Trial Balance		

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Tasks and Checks	Candidate Record of Tasks Completed	Date Completed	Checked by (initials)
Task 10	Process a batch of cheques sent to creditors		
Check 10	Print Day Books — Supplier Payments & Discounts and Trial Balance		
Task 11	Process a batch of other cheques received (other bank receipts)		
Check 11	Print Day Book — Bank Receipts and Trial Balance		
Task 12	Process a batch of other cheques issued (other bank payments)		
Check 12	Print Day Book — Bank Payments and Trial Balance		
Task 13	Process a batch of cash receipts		
Check 13	Print Day Book — Cash Receipts and Trial Balance		
Task 14	Process a batch of cash payments		
Check 14	Print Day Book — Cash Payments and Trial Balance		
Task 15	Set up and process recurring entries and transfers between cash and bank		
Check 15	Print — List of Recurring Entries and Trial Balance		
REVISION 2	Process four batches — cheques from debtors and other cheques received; cheques to creditors and other cheques issued. Set up and process recurring entries. Transfer from bank to cash.		
CHECK	Print appropriate day books and Trial Balance		
Task 16	Run Aged Analysis of Debtors; Produce Debtor Reminder Letters		
Check 16	Print Aged Analysis of Debtors; Reminder Letters (one for 2 months overdue; one for 3 months overdue) and Trial Balance		
Task 17	Correction of errors		
Check 17	Print (partial) Audit Trail (showing corrections only) and Trial Balance		
Task 18	Run VAT Return		
Check 18	Print — Summary VAT Return		
REVISION 3 *See note below	Process batches of **all** business documents; set up and run recurring entries; transfer between bank and cash; produce debtor reminder letter; correct errors; compute data for VAT Return.		
CHECK	Print: Trial Balance; Audit Trail; Debtor Reminder Letter; Summary VAT Return		
ASSESS	Candidate attempts assessment which covers all Outcomes and all Performance Criteria in a single assessment occasion		

*NOTE: Revision Exercises

Centres may produce two or three versions of each of the revision exercises. If a candidate did not successfully complete their first attempt at Revision Exercise 1 then they would attempt another version of this exercise (using different data files and different task list). Similarly with Revision Exercise 2.

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Revision Exercise 3 is a 'mock' assessment as it covers all the skills and knowledge required for the actual assessment. The candidate will sit the actual assessment after successfully completing at least one of these mock assessments. However, many candidates may prefer to sit two mock assessments before attempting their actual assessment.

Outcome 1 — Use Accounting Software to Set Up and Maintain Accounting Records

Centre could prepare an accounting data file that has a number of debtors and creditors accounts already set up as well as a number of nominal ledger accounts.

Candidate should be asked to load these data files to their computer. Candidate would be asked to amend the company details — for example, change the company name to the candidate's name; change the financial year-end date; change the system date, etc.

Candidates should be asked to set up new debtor accounts and to amend existing accounts eg change customer address and telephone number; change contact name; change credit limit, etc. Candidates would also be asked to delete a customer record.

Candidate should be asked to print a report showing all customers whose record had been amended during this procedure. This would test the candidate's ability to customise the report so that it only contained the details relating to customers whose records had been amended.

Candidate would be asked to carry out similar tasks to supplier accounts.

Similarly, candidates should look at the structure of the nominal ledger and, once they are familiar with the coding system in use, the candidate would be asked to create nominal ledger accounts eg a new fixed asset account and a new expense account. The candidate would be expected to know what nominal code to assign to the new accounts so that they fit into the existing nominal code structure used in the software package.

Candidates should be aware of which accounts can be deleted and which accounts cannot be deleted and the reasons for this.

Candidates would learn procedures to ensure that data files are securely backed up. Candidates would normally be expected to back up to 2 separate storage media eg hard disk and data stick, etc.

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Outcome 2 — Use Accounting Software to Process a Range of Accounting Transactions

Candidate should be competent to process the following business transactions:

Invoices sent out to customers — standard rated VAT, zero rated VAT and VAT exempt.

Invoices received from suppliers — standard rated VAT, zero rated VAT and VAT exempt.

Credit notes sent out to customers — standard rated VAT, zero rated VAT and VAT exempt.

Credit notes received from suppliers — standard rated VAT, zero rated VAT and VAT exempt.

Cheques received from debtors. This would include allocating the cheque to an invoice. It may also involve allocating a credit note and, in some cases, would also include discount allowed to the debtor(s).

Cheques sent out to creditors. This would include allocating the cheque to an invoice. It may also involve allocating a credit note and, in some cases, would also include discount received from the creditor(s).

Cash sales — standard rated VAT, zero rated VAT and VAT exempt. Candidates should be aware of how to process amounts whether given the gross or the net amount.

Cash purchases — standard rated VAT, zero rated VAT and VAT exempt. Candidates should be aware of how to process amounts whether given the gross or the net amount.

Other cheque payments for:

Expenses
Purchases for resale
Purchase of fixed assets

Other cheque receipts for:

Sales
Loans
Funds from the owner of the business

Other transactions:

Regular payments through the bank account — standing orders and direct debits

Candidates should gradually build up knowledge and competence. Firstly, candidates should process customer invoices then credit notes sent to customers during the day/week/month. These should include standard rated supplies; zero rated supplies and exempt supplies. Candidates would use either source documents or chronological lists of transactions. Candidates may be provided with batch totals for checking purposes. Alternatively, candidates could complete batch slips themselves and use the batch totals for checking their input data before posting.

Then candidates should carry out a similar exercise for invoices and credit notes received from suppliers during the day/week/month. Again, using batch totals for checking.

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Outcome 2 — Use Accounting Software to Process a Range of Accounting Transactions (continued)

Candidates should then learn how to process cheques received from customers. These have to be allocated against specific invoices. Credit notes may also have to be allocated in order to clear the customer debt. Discount may also be allowed to the customer.

Then candidates should carry out a similar exercise by processing cheques sent out to suppliers during the last day/week/month.

Candidates should learn how to process cheque payments other than to creditors eg payment of expenses, purchase of fixed assets, purchase of goods for resale, repayment of loans, etc. Candidates would learn how to use the facility to convert gross amounts to net amounts. Candidates learn the VAT categories that can be input into the system — standard rated; zero rated; exempt; outwith the scope of VAT and the codes for inputting these categories.

Similarly, candidates should process cheque receipts other than from debtors eg income other than sales income; loans received, funds paid in by owner, etc. Again a variety of VAT codes should be used.

Candidates should learn how to transfer funds between bank and cash and vice versa. Candidates would also learn how to set up regular bank payments such as standing orders and direct debits.

In each of these tasks, the candidate will learn how to use batch totals to ensure accuracy of input data. The candidate will also learn how to back up data efficiently in order to ensure security of data.

Where candidates make errors in processing transactions, this may be used as examples for teaching the candidates how to correct errors.

Outcome 3 — Use Accounting Software to Generate Management Reports

This Outcome could be taught in conjunction with Outcome 2. As the candidate inputs data into the package, they could produce output in the form of reports. The candidate will build up a folder of evidence of class work. The centre can check the accuracy of the candidate's data by checking their reports. In this way the centre can keep track of the candidate's progress through the tasks assigned and the candidate's ability to accurately input data into the system. Once the candidate has become more competent and confident in the use of the package then the centre may allow the candidate to check their own work against answers provided by the centre.

After each task the candidate has to produce a day book and a trial balance. Day books allow batch totals to be checked and the trial balance indicates the figures that will have changed as a result of the last batch that has been input. Candidates should be encouraged to anticipate which figures will change after a batch of documents has been input. For example, after a batch of sales invoices have been input then the following figures will have changed: Sales, Output Tax and Debtors Control Account.

Some examples of reports are given below. (Note — the name of the report will depend on the software package used — the names used below are names of a general nature).

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Outcome 3 — Use Accounting Software to Generate Management Reports (continued)

Business transactions that candidate processes:	Reports to be generated after data input:
Invoices sent out to customers (standard rated VAT, zero rated VAT and VAT exempt)	Sales day book and Trial Balance
Invoices received from suppliers (standard rated VAT, zero rated VAT and VAT exempt)	Purchases day book and Trial Balance
Credit notes sent out to customers (standard rated VAT, zero rated VAT and VAT exempt)	Sales returns day book and Trial Balance
Credit notes received from suppliers (standard rated VAT, zero rated VAT and VAT exempt)	Purchase returns day book and Trial Balance
Cheques received from debtors. This would include allocating the cheque to an invoice. It may also involve allocating a credit note and, in some cases, would also include discount allowed to the debtor(s)	Debtor Receipts day book and Trial Balance (May also print out a debtor's account to show entries posted to it)
Cheques sent out to creditors This would include allocating the cheque to an invoice. It may also involve allocating a credit note and, in some cases, would also include discount received from the creditor(s)	Creditor Payments day book and Trial Balance (May also print out a creditor's account to show entries posted to it)
Cash sales (cash and/or cheques) (standard rated VAT, zero rated VAT and VAT exempt) Candidates should be aware of how to process amounts both when given the gross amount and when given the net amount	Cash and/or Bank receipts day book and Trial Balance
Cash purchases (cash and/or cheques) (standard rated VAT, zero rated VAT and VAT exempt) Candidates should be aware of how to process amounts whether given the gross or the net amount	Cash and/or Bank payments day book and Trial Balance
Other payments by cash or cheque for: Expenses; Purchase of fixed assets, etc	Cash and/or Bank payments day book and Trial Balance
Other receipts by cash or cheque for: Sales; Loans; Owner, etc	Cash and/or Bank receipts day book and Trial Balance

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

Outcome 3 — Use Accounting Software to Generate Management Reports (continued)

Various **other reports** may also be produced, for example:

Aged Analysis of Debtors

Debtor Reminder Letters (various versions depending on how overdue the debt is)

List of Standing Orders/Direct Debits

VAT Return

At this level the candidate would not be expected to produce the final accounts. However the centre may demonstrate to the candidates the way in which this is done so that the candidate is aware of how the information is finally used.

As with all data input, the candidate must **back up data** to ensure security of data files.

OPPORTUNITIES FOR CORE SKILL DEVELOPMENT

Candidates will enhance their information technology skills whilst undertaking this Unit.

GUIDANCE ON APPROACHES TO ASSESSMENT FOR THIS UNIT

Formative assessment is carried out throughout the delivery of the Unit — by checking the candidate's reports after each task. The candidate will build up a considerable portfolio of evidence of class work during the Unit. An example of a record of the candidate's work is given earlier in this specification.

Summative assessment of all Outcomes could be undertaken using a single assignment. It would be conducted under **open-book examination conditions.** Candidates may have access to software manuals and/or teaching materials. The assignment should be completed in **2 hours**. The assignment would be organised as follows:

The centre would supply the candidate with data files that already contain debtor and creditor accounts with balances that consist of both invoices and credit notes from the previous month. In addition, there will be balances on other asset and liability accounts.

National Unit Specification: support notes (cont)

UNIT   Computer Applications — Accounting

ASSESSMENT TASKS

Candidates are required to:

Load data files to their computer

Customise the company details

Process a range of business transactions

Produce a range of management **reports**

Back up data files

Detailed tasks are indicated in the Evidence
Requirements section of this Unit specification

CANDIDATE EVIDENCE

Evidence generated consists of:

Data files at the end of the month after
processing of all the transactions

and a range of management **reports** as
detailed in the Evidence Requirements section
of this Unit specification

The Evidence Requirements section of this Unit specification indicates the volume of transactions that
the candidate is expected to process and the reports that the candidate is required to produce.

CANDIDATES WITH DISABILITIES AND/OR ADDITIONAL SUPPORT NEEDS

The additional support needs of individual candidates should be taken into account when planning
learning experiences, selecting assessment instruments, or considering alternative Outcomes for Units.
Further advice can be found in the SQA document *Guidance on Assessment Arrangements for
Candidates with Disabilities and/or Additional Support Needs* (**www.sqa.org.uk**).