**HNC/D Administration and Information Technology**

**Limited Review 2015/16**

**Recording Financial Transactions (new code HH81 33)**

This document is a summary of the changes which have been made to Recording Financial Transactions (RFT) during the recent review undertaken by SQA.

Feedback has been received over a period of time regarding the content of this unit and it was felt it was an opportune moment for review, as practitioners had commented that the unit was too ‘heavy’ in content.

Based on changes to Accounting units to incorporate FRS102, the time was right to look at the content to see if it still meets the requirements of those in the workplace.

Taking feedback from a range of sources, it was decided to reduce the book keeping requirements. It is unlikely that candidates working in todays workplace will be asked to carry out manual book keeping. They are more likely to be asked to work using a computerised accounting package such as SAGE or Quickbooks. Bearing this in mind it was felt that they may be required to have input to other areas of accounting.

Those undertaking the review were of the mind that input to the preparation of VAT returns is probable and some book keeping may be useful but that they are unlikely to be asked to complete day books. The decision was made to amend the first outcome to cover posting from already completed day books, including the new Discount Allowed and Discount Received day books. These are to be brought in during 2017-18 to adhere to new HMRC rules relating to the treatment of Prompt Payment Discount (formerly Cash Discount).

The knowledge and skills for this outcome lists each element of what candidates are required to undertake but they are no longer required to complete day books from source documents, rather they are given completed day books and will be required to post these to the ledgers, then complete a trial balance. There are some other transactions not included in day books which will be in the task and that require to be posted to the ledgers.

The second outcome now covers VAT, it was previously outcome 3.

The third outcome brings in a new topic - bank reconciliation. This is a straightforward and useful accounting task for any candidate.

Below is a summary of changes to the unit content. An Assessment Support Pack will be available for this unit.

Recording Financial Transactions

| F847 33 |  | HH81 33 |  |
| --- | --- | --- | --- |
| Outcome 1Record business transactions in the books of original entry of a sole trader  | * Business documents
* Day books
* Analysed petty cash book
* Cash book
* VAT
 | **Outcome 1**Post business transactions to ledger accounts using the principles of double entry book-keeping and prepare a trial balance. | * Day books
* Analysed petty cash book
* Cash book
* VAT
* Double entry book-keeping principles
* Accounting ledgers
* Trial balance
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|  |  |  |  |
| Outcome 2Post business transactions to ledger accounts using the principles of double entry book-keeping and prepare a trial balance  | * Double entry book-keeping principles
* Accounting ledgers
* Trial balance
 | **Outcome 2**Complete a VAT Return. | * Inputs
* Outputs
* VAT Return
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|  |  |  |  |
| Outcome 3Complete a VAT Return  | * Inputs
* Outputs
* VAT Return
 | **Outcome 3**Prepare a Bank Reconciliation Statement | * Bank Statement
* Bank Reconciliation Statement
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