SQA Advanced Unit specification

General information for centres

Unit title: Hospitality: Financial Accounting

Unit code: HT2Y 47

Unit purpose: This Unit is designed to prepare candidates for the financial aspects they will encounter as supervisors or managers. It prepares them for this by giving a basic understanding of an accounting system covering both manual and computer for a sole trader. It is intended for candidates who require both a practical and a theoretical knowledge of accounting systems at a basic level to support them when dealing with accounting professionals.

On completion of the Unit the candidate should be able to:

1   Enter business transactions for a sole trader into a manual double entry bookkeeping system, extract a trial balance and prepare income statements and a statement of financial position.
2   Operate a computerised accounting applications package to record business transactions and produce a trial balance and prepare income statements and a statement of financial position.

Credit points and level: 1 SQA Credit at SCQF level 7: (8 SCQF credit points at SCQF level 7*)

*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 National 1 to Doctorates.

Recommended prior knowledge and skills: Access to this Unit is at the discretion of the centre. Candidates should have good numerical competence and it would be advantageous to have a reasonable knowledge of computers and at least one software package.

Core Skills: There may be opportunities to gather evidence towards Core Skills in this Unit, although there is no automatic certification of Core Skills or Core Skills components.

Context for delivery: If this Unit is delivered as part of a Group Award, it is recommended that it should be taught and assessed within the subject area of the Group Award to which it contributes.

Assessment: It is recommended that each Outcome has separate assessments. For Outcome 1 there are three assessment tasks. For Outcome 2 there are two assessment tasks.

The computer work for Outcome 2 should be assessed under open-book conditions but supervised to ensure it is the candidate's own work. The majority of the accounts used should already be set up on

the computer programme however candidates should be required to set up a new personal account and a new nominal account.

An exemplar instrument of assessment and marking guidelines have been produced to indicate the national standard of achievement required at SCQF level 7.

SQA Advanced Unit specification: statement of standards

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The sections of the Unit stating the Outcomes, Knowledge and/or Skills and Evidence Requirements are mandatory.

Where evidence for Outcomes is assessed on a sample basis, the whole of the content listed in the knowledge and/or skills section must be taught and available for assessment. Candidates should not know in advance the items on which they will be assessed and different items should be sampled on each assessment occasion.

Outcome 1

Enter business transactions into a manual double entry bookkeeping system, extract a trial balance and prepare income statements and a statement of financial position

Knowledge and/or Skills

♦ Enter credit sales, credit purchases and returns on credit into the appropriate personal and general ledger accounts
♦ Enter cash transactions into the cash (bank) book
♦ Calculate Value Added Tax on net and gross figures
♦ Post from the cash (bank) book to ledger accounts in accordance with double entry convention for assets, liabilities, income and expenses
♦ Reference accounts and cash (bank) book correctly
♦ Maintain a VAT account
♦ Balance correctly all ledger accounts
♦ Prepare a Trial Balance from the ledger accounts
♦ Prepare income statements
♦ Prepare a statement of financial position
♦ Prepare a bank reconciliation statement

Evidence Requirements

Each candidate should produce evidence that they can enter a range of financial transactions into the appropriate ledger accounts, balance the ledger accounts and extract a trial balance and prepare income statements and a statement of financial position. Candidates should be given a list of financial transactions for a sole trader, covering a one month period. The transactions should include cash payments and receipts, credit purchases and sale and purchase of assets. Candidates should calculate value added tax on net and gross figures. The assessment should contain a minimum of 20 transactions.

Assessment Guidelines

The assessment of this Outcome should allow the average candidate to complete it in 2 hours. The assessment should be presented as a list of 20 business transactions for a sole trader in the hospitality industry. Using this information the candidate should post the transactions to the cash (bank) book and appropriate ledger accounts, balance the accounts and produce a trial balance.

The trial balance should be checked for accuracy before the income statements and the statement of financial position are prepared. This part of the assessment should take around 30 minutes.

Candidates should be provided with all the ledger accounts headed including reference numbers. Opening balances for the accounts should be supplied where relevant, in particular the personal accounts in the purchases and sales ledgers.

A separate assessment should be set for bank reconciliation, open-book in controlled conditions and should be completed in approximately 30 minutes.

Outcome 2

Operate a computerised accounting applications package to record business transactions and produce an accurate trial balance

Knowledge and/or Skills

♦ Set up suppliers' personal accounts
♦ Set up customers' personal accounts
♦ Enter credit purchases
♦ Enter credit sales
♦ Enter cash sales
♦ Enter cash expenses
♦ Record payments to suppliers
♦ Record payments from customers
♦ Print a hard copy of requested reports such as an audit trail, nominal account, personal account, bank account and VAT return
♦ Print income statements and statement of financial position

Evidence Requirements

The candidate will need evidence to demonstrate his/her Knowledge and/or Skills by showing that with minimal support from others but using help from the software programme, supplier's manuals or their own notes that she/he can:

♦ Set up a debtor and a creditor account
♦ Enter given financial information into a computer accounting programme
♦ Print a minimum of the audit trail, VAT return, trial balance, income statements and statement of financial position

Assessment Guidelines

The candidates should start this assessment with most of the accounts already set up with appropriate opening balances entered. Candidates should be required to set up one new personal account for a customer and a supplier. Full details of the accounts to be set up should be given. The assessment should take two hours for the average candidate. The computer assessment should have a similar number of accounts to the manual assessment.

The information for the credit purchases and sales may be supplied as original invoices or as a type of daybook to facilitate batch entry. A minimum of 20 transactions is required, eg:

4 credit purchases of food/drink for resale
4 credit sales of food/drink
1 purchases return
1 allowance

Plus 10 other transactions covering cash payments / receipts, purchase of an asset, receipts from trade receivables and payments to trade payables.

Administrative Information

Unit code: HT2Y 47

Unit title: Hospitality: Financial Accounting

Superclass category: AK

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Version	Description of change	Date

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SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

FURTHER INFORMATION: Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our Centre Feedback Form.

SQA Advanced Unit specification: support notes

Unit title: Hospitality: Financial 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

This Unit is mandatory in the SQA Advanced Diploma in Hospitality Management framework. It is designed as an introduction to candidates in the hospitality industry of the concept of double entry bookkeeping both manually and using a financial accounting computer applications package.

The Unit is designed to prepare candidates for the financial aspects of the supervisory or management role that they will take up in the hospitality Industry.

The double entry system covered should be for a sole trader. It would be acceptable to use either running balance or 'T' accounts.

Outcome 1 covers manual double entry bookkeeping to simple final accounts for a sole trader in the hospitality industry.

Outcome 2 covers the use of an accounting software package to process financial transactions and produce printed reports.

Guidance on the delivery and assessment of this Unit

This Unit is one of four in the SQA Advanced Diploma in Hospitality Management framework covering financial aspects. It is the only Unit, which covers double entry bookkeeping. Approximately 60% of the time should be spent on Outcome 1 with the remainder used for the computer element in Outcome 2.

Assessment should be carried out in controlled assessment conditions for each Outcome. The candidates should be allowed access to a previously prepared exercise for Outcome 1 and to notes, manuals or on-screen help for Outcome 2. The assessment should be supervised to ensure that it is the candidates' own work.

An exemplar instrument of assessment and marking guidelines have been produced to indicate the national standard of achievement required at SCQF level 7.

Open learning

This Unit could be delivered by open or distance learning. It will require planning by the centre to ensure the sufficiency and authenticity of candidate evidence. Arrangements would have to be made to ensure that the assessments were conducted under supervision.

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

General information for candidates

Unit title: Hospitality: Financial Accounting

This Unit introduces you to the system of recording financial transactions called double entry bookkeeping. This system will be covered both manually and using an accounting software package. It will also cover some aspects of value added tax such as the extraction of VAT from gross figures and also introduces you to simple final accounts.

A major purpose of the Unit is to give you a foundation in bookkeeping that you can build on, either with further study or with practical experience.

The Unit has two Outcomes. The first covers manual double entry bookkeeping for a small business in the hospitality industry such as a restaurant. The second covers the use of a computer accounting software package.

In order to complete the Unit successfully you will be required to complete three assessments for Outcome 1 and two assessments for Outcome 2. These assessments will be taken under supervision with the total time being approximately 4 hours.