



National Unit specification: general information

Unit title: Recording Data in the Ledger

Unit code: FN16 11

Superclass: AK

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Version: 01

Summary

The purpose of this Unit is to provide candidates with basic knowledge and skills to record transactions from day books into a double entry bookkeeping system, to extract a trial balance and complete a VAT return.

This Unit is suitable for candidates who aim to take up a career or further study in accounting and/or financial administration.

This is an optional Unit within the National Certificate in Accounting (SCQF level 5), but may also be offered as a free standing Unit. The NC accounting is an introductory qualification to prepare candidates for further study or entry into employment at a technical level. It is envisaged that candidates successfully completing this Unit will have the underpinning knowledge to enable progression to the HN Unit Recording Financial Information.

Outcomes

- 1 Record financial transactions from books of original entry to a double entry bookkeeping system
- 2 Extract a trial balance from a set of double entry ledgers
- 3 Complete a VAT return for one month

Recommended entry

While entry is at the discretion of the centre, candidates would normally be expected to have basic competence in arithmetic/numeracy which could be evidenced by achievement of Standard Grade Maths at 1–3 or Intermediate 1 Maths or equivalent experience. Skills may also be evidenced by possession of Recording Cash Transactions(FN14 11) and Recording Credit Transactions(FN15 11).

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Credit points and level

1 National Unit credit at SCQF level 5: (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 or Core Skill component in this Unit.

The Unit provides opportunities for candidates to develop aspects of the following Core Skills:

- ◆ Numeracy
- ◆ Problem Solving

These opportunities are highlighted in the Support Notes of this Unit specification.

National Unit specification: statement of standards

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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 SQA.

Outcome 1

Record financial transactions from books of original entry to a double entry bookkeeping system.

Performance Criteria

- (a) Record opening balances from an Opening Journal into ledger accounts
- (b) Record transactions from first month's day books to the appropriate section of the ledgers, using double entry bookkeeping rules
- (c) Balance off each individual ledger account

Outcome 2

Extract a trial balance from a set of double entry ledgers

Performance Criteria

- (a) Record balance of sales ledger, purchase ledger and each individual general ledger account to correct column of trial balance
- (b) Total the trial balance

Outcome 3

Complete a VAT return for one month

Performance Criteria

- (a) Calculate the figures required for a VAT return from the books of original entry/completed ledger accounts for a one month period
- (b) Enter the figures in the VAT return

National Unit specification: statement of standards (continued)

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Evidence Requirements for this Unit

Product evidence is required to demonstrate that the candidates have achieved all of the Outcomes and Performance Criteria.

Assessments will be carried out under closed-book supervised conditions.

Candidates will be presented with the following completed and totalled day books

- ◆ Opening Journal
- ◆ Sales day book
- ◆ Sales return day book
- ◆ Purchase day book
- ◆ Purchase returns day book
- ◆ Cash Book

Assessment will consist of a minimum of 40 ledger transactions (excluding opening balances) and candidates should have access to pro forma named ledgers classified into sales ledger, purchase ledger, and general ledger, a pro forma trial balance and VAT return.

Candidates must enter all transactions from the day books into the ledger, and extract the trial balance. Figures from the day books/completed ledgers can be used to complete the VAT return. Note that international transactions are not required.

Candidates should be able to complete this assessment in 2 hours where all three Outcomes are assessed holistically. The ledger accounts and trial balance can be generated manually or using a recognised spreadsheet package. Note however that the purpose of this Unit is to give an understanding of double entry bookkeeping and that use of an accounting package which does not demonstrate this is not acceptable and is dealt with in a separate Unit.

National Unit specification: support notes

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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

In this Unit candidates are required to complete a set of ledger accounts, trial balance and VAT return from the books of original entry. This is a manual process and the use of financial accounting software is not acceptable.

This Unit is an optional Unit within the National Certificate in Accounting at SCQF level 5, but can also be offered as a free-standing Unit. This Unit is the next logical step after completion of Recording Cash Transactions (FN14 11) and Recording Credit Transactions (FN15 11) if undertaken as part of the NC Accounting.

It is envisaged that candidates successfully completing this Unit will have the underpinning knowledge to enable progression to the HN Unit Recording Financial Information.

Outcome 1

This outcome covers the recording of financial transactions in a double entry book-keeping system and candidates should be familiar with the following:

- ◆ Double entry book-keeping principles.
- ◆ Ledger accounts and division into sales ledger, purchase ledger and general ledger.
- ◆ Correct entry of transactions into either running balance or T accounts and accurately balancing each ledger.

Outcome 2

Candidates should clearly understand how to prepare a trial balance and its purpose as a control mechanism. If candidates are undertaking the NC Accounting award, the opportunity exists to clearly link the trial balance with the correction of errors and the preparation of final accounts.

Although not required within the Performance Criteria, centres may wish to incorporate the drawing up of sales and purchase ledger control accounts in addition to the trial balance to give a greater understanding of the need for control mechanisms within a double entry bookkeeping system.

National Unit specification: support notes (continued)

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Outcome 3

This outcome involves the completion of a VAT Return and candidates should be familiar with the following:

- ◆ VAT inputs and outputs.
- ◆ Totalling of the relevant inputs and outputs.
- ◆ Completion of the VAT return with clear indication of VAT to be paid or refunded.

Through successful completion of this Unit, candidates will be working towards the following elements of the National Occupational Standards in Accounting.

In completing this Unit candidates will be developing aspects of the following National Occupational Standards for Accountancy and Finance produced by the Financial Skills Partnership:

- FA - 1 Process Income
- FA - 2 Process Expenditure
- FA - 3 Account for Income and Expenditure

Guidance on learning and teaching approaches for this Unit

The emphasis through the Unit should be on a candidate-centred approach where candidates undertake practical exercises which enable them to develop the necessary skills. Knowledge, understanding and computational skills can be development simultaneously throughout the Unit.

Candidates may be presented with a progressive series of exercises to generate knowledge and understanding of different types of transactions within a double entry bookkeeping system to ensure an understanding of the principles of the debit and credit rules before entering day books to ledgers.

It is anticipated that this Unit could be assessed holistically in one case study assessment, although the VAT return could be completed as a separate assessment instrument at the discretion of the centre.

By adopting the above learning and teaching approaches and/or through the Outcomes and corresponding Evidence Requirements, the Unit should provide candidates with an opportunity to develop the following essential skills for life, learning and work:

Employability — through developing practical skills to industry standards and working on time limited tasks

National Unit specification: support notes (continued)

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Opportunities for developing Core Skills

In this Unit candidates will learn how to process cash transactions, including VAT, from source documents, enter into the Petty Cash Book and Cash Book, and prepare a simple banking pay in of cash and cheques.

Candidates will:

- ◆ Enter transactions from the day books into the ledger and extract the trial balance.
- ◆ Calculate figures to complete VAT return.
- ◆ Carry out checks for accuracy
- ◆ Apply skills to time limited tasks

As candidates are doing this Unit they will be developing aspects of the Core Skills in Numeracy and Problem Solving .

In addition, whilst completing this Unit candidates may develop aspects of the Core Skill in Information and Communication Technology if the Unit is delivered using a recognised spreadsheet package.

Guidance on approaches to assessment for this Unit

It is anticipated that this Unit could be assessed holistically in one case study assessment, although the VAT return could be completed as a separate assessment instrument at the discretion of the centre.

Time should be allowed for any necessary re-assessment.

Opportunities for the use of e-assessment

E-assessment may be appropriate for some assessments in this Unit. By e-assessment we mean assessment which is supported by Information and Communication Technology (ICT), such as e-testing or the use of e-portfolios or e-checklists. Centres which wish to use e-assessment must ensure that the national standard is applied to all candidate evidence and that conditions of assessment as specified in the Evidence Requirements are met, regardless of the mode of gathering evidence. Further advice is available in *SQA Guidelines on Online Assessment for Further Education (AA1641, March 2003)*, *SQA Guidelines on e-assessment for Schools (BD2625, June 2005)*.

National Unit specification: support notes (continued)

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Disabled candidates and/or those with additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website www.sqa.org.uk/assessmentarrangements

History of changes to Unit

Version	Description of change	Date

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