



Preparing Financial Accounting Information (National 5)

SCQF: level 5 (6 SCQF credit points)

Unit code: H1YP 75

Unit outline

The aim of this Unit is to allow learners to develop the knowledge and understanding relating to the preparation of financial accounting information for external use, and to have the ability to apply the accounting concepts and techniques associated with the preparation of such financial accounting information.

Learners who complete this Unit will be able to:

- 1 Record straightforward financial accounting transactions to the trial balance stage
- 2 Apply knowledge and understanding of accounting concepts in the preparation of period-end adjustments
- 3 Prepare period-end financial accounting statements that show profit for the year (net profit) and net worth

This Unit is a mandatory Unit of the National 5 Accounting Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in *Unit Assessment Support*.

The *Course Assessment Specification* for the National 5 Accounting Course gives further mandatory information on Course coverage for learners taking this Unit as part of the National 5 Accounting Course.

Recommended entry

Entry to this Unit is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ National 4 Business Course
- ◆ National 4 Mathematics Course

Examples of other such relevant prior learning and experiences would include the development of logical and analytical thinking skills and the ability to use ICT, particularly spreadsheets.

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. For further information, please refer to the *Unit Support Notes*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Record straightforward financial accounting transactions to the trial balance stage by:**
 - 1.1 Collecting relevant accounting data from business documents that cover a range of transactions
 - 1.2 Recording transactions in ledger accounts using double entry
 - 1.3 Preparing a trial balance from available ledger account balances

Outcome 2

The learner will:

- 2 Apply knowledge and understanding of accounting concepts in the preparation of period-end adjustments by:**
 - 2.1 Explaining why businesses need to account for period-end adjustments
 - 2.2 Calculating period-end adjustments from accounting data provided
 - 2.3 Describing the effect of period-end adjustments on profit for the year (net profit) and the statement of financial position (balance sheet)

Outcome 3

The learner will:

- 3 Prepare period-end financial accounting statements that show net profit and net worth by:**
 - 3.1 Selecting relevant information from a trial balance and period-end adjustments
 - 3.2 Preparing an income statement (trading and profit and loss account) and a statement of financial position (balance sheet) in accordance with standard accounting layouts

Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence for this Unit may be presented in a written response, as an ICT printout or by electronic means, and must use relevant accounting layouts and concepts.

Assessors should also use their professional judgement when giving learners credit for an appropriate degree of accuracy. This may mean giving credit for solutions which are numerically incorrect, but which show correct application of accounting concepts and methods.

In Outcome 1, the range of business documents includes invoices, copy invoices, credit notes, copy credit notes, cash receipts and bank accounts (including electronic funds transfer).

In Outcome 2, period-end adjustments include other receivables and payables (prepayments, accruals), bad debts and depreciation using the straight line method.

Evidence may be presented for individual Outcomes or may be gathered for the Unit as a whole through combining assessment in one single activity. If the latter approach is used, it must be clear how the evidence covers each Outcome.

Exemplification of assessment is provided in *Unit Assessment Support*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

2 Numeracy

- 2.1 Number processes
- 2.2 Money, time and measurement
- 2.3 Information handling

4 Employability, enterprise and citizenship

- 4.1 Employability
- 4.2 Information and communication technology (ICT)

5 Thinking skills

- 5.2 Understanding
- 5.3 Applying

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level of the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

Administrative information

Published: September 2014 (version 1.1)

Superclass: AK

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date
1.1	Terminology amended to take account of international accounting standards.	Qualifications Manager	September 2014

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Note: readers are advised to check SQA's website: www.sqa.org.uk to ensure they are using the most up-to-date version of the Unit Specification.

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