

Unit 22: Recording Business Transactions

Unit reference number: J/501/7238

QCF level: 1

Credit value: 4

Guided learning hours: 30

Unit aim

This unit introduces learners to the types of documents used in business administration to record business transactions.

Unit introduction

A range of documents are used within business administration including receipts, delivery notes and invoices. This unit will help the learner understand the types of documents used in business administration to record business transactions and their purpose. It is likely that those employed in junior administrative roles will have some responsibility for ordering and receiving office supplies, and it is important that they recognise and complete the relevant documents accurately.

It may be necessary for learners to participate in role play or scenarios to demonstrate their knowledge and understanding of learning outcome 2.

Essential resources

Centres need access to resources to support learners in developing and practising their skills when recording financial transactions. Examples of all documents outlined in the unit content should be provided, and learners should have access to office supplies catalogues, both paper-based and through websites.

Learning outcomes, assessment criteria and unit amplification

In order to pass this unit, the evidence that the learner presents for assessment needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria determine the standard required to achieve the unit.

On completion of this unit a learner should:

Learning outcomes		Assessment criteria	Unit amplification
1	Know the documents used to record business transactions	1.1 Identify the types and purpose of documents used to record business transactions	<ul style="list-style-type: none"> □ <i>Documents recording buying and selling of goods:</i> purchase orders, delivery notes, goods received notes, invoices, credit notes, remittance advice slips, cheques, receipts □ <i>Petty cash:</i> types of things bought with petty cash, e.g. small items of equipment, stamps, refreshments; documentation for accounting for petty cash, e.g. receipts, recording purchases; following procedures
		2	<ul style="list-style-type: none"> □ <i>Complete order forms:</i> get clear instructions; use price lists and catalogues; research sources of supply; complete order form; calculate price, calculate discounts; follow procedures, e.g. authorisation; preferred suppliers; retaining copy documents; efficient use of orders; check delivery dates
2	Be able to complete an order form for office supplies	2.1 Make plans to order appropriate supplies for a given situation	
		2.2 Accurately complete a purchase order form	
		2.3 Receive the supplies and delivery notes	
		2.4 Receive the invoice from the suppliers	
		2.5 Make out the cheque to pay the invoice	
		2.6 Receive the supplier's receipt for payment of the invoice	<ul style="list-style-type: none"> □ <i>Receive goods:</i> procedures, e.g. checking delivery notes, checking invoice, procedures for payment, filling out cheque, having cheque signed, sending cheque to supplier, receiving and checking receipt

Information for tutors

Delivery

Delivery of this unit should be through practical tasks such as completing order forms. When investigating business documents used for buying and selling, learners need to develop practical skills and should be encouraged to practise completing documents in group exercises, preferably for a buying scenario. This should help learners to understand and experience how real businesses use these documents. A guest speaker would be useful to cover the importance of keeping financial records. Learners must be able to recognise the documents listed in the unit content. They should also understand the simple sequencing of these documents. The sequencing will follow the most common conventions of business practice, for example:

- petty cash voucher → cash payment → receipt
- purchase order → delivery note → invoice → cheque → receipt.

Learners will be expected to know the basic purpose of the document. They will need to understand the need for accuracy when completing purchase order forms.

When examining the process for ordering office goods and supplies, tutors could use the centre's own procedures as an example. Learners could investigate procedures in a local business, or a guest speaker could explain how these work in their organisation. Tutors should provide plenty of practical exercises to develop numerical skills through completing orders.

In all situations, learners must be aware of the use of the documents produced and understand the need to consider aspects such as language and choice of images appropriate to the reader.

Outline learning plan

The outline learning plan has been included in this unit as guidance.

Topic and suggested assignments/activities

Introduction to unit and structure of the programme of learning.

Tutor-led discussion on a range of documents used to record business transactions and the purpose of the different records.

Activity – learners to undertake card matching activity to match the correct recording document to the purpose.

Guest speaker from the finance department of the centre or a local business explains the types of records kept. Learners to prepare and ask questions about the importance of this information.

Follow up by small group discussion to identify key points.

In pairs, learners to role-play scenarios and to practise completing records and using number skills.

Activity – learners to place financial documents in order, to show understanding of the sequencing of the recording documents (e.g. petty cash voucher – cash payment – receipt).

Assessment – learners to be given a series of documents by the tutor. Learners to identify each type of document and the purpose of each document by completing a grid (learning outcome 1).

Topic and suggested assignments/activities (continued)

Guest speaker from a college explains the procedure for ordering and receiving goods. Learners to prepare and ask questions about the importance of following procedures.

Follow up with small group discussion to identify key points.

Role-play with peer observation – practical exercises to complete orders.

Assessment – learner to order office supplies through:

- accurate completion of purchase order form
- receiving goods and checking supplies and delivery notes
- receipt of invoice from suppliers
- accurate completion of cheque to pay invoice
- receiving supplier's receipt for payment of invoice.

The sequencing of the documentation can be recorded on a checklist or grid (learning outcome 2).

Assessment feedback, review and evaluation of unit.

Assessment

To meet 1.1, learners need to be able to identify the purpose of each document. Evidence may be a written list of business documents, identifying at least one purpose for each type of document matched appropriately to a given situation.

Assessment criteria 2.1-2.6 require learners to order office supplies and complete the appropriate documentation according to instructions. Evidence is likely to be in the form of a collection of documents showing sources of supply, an accurately completed order form showing calculations, goods received note, invoice, cheque and receipt. Tutors can check learner understanding of following administrative procedures and using approved suppliers through oral questioning.

Suggested resources

Books

Tetley C – *BTEC Entry 3/Level 1 Business Administration Student Book* (Pearson, 2010) ISBN 9781846909214

Websites

www.bbc.co.uk/skillwise/numbers/measuring/money BBC Skillswise – factsheets, worksheets and quizzes to improve money skills

www.skillsca.org The Council for Administration