



**Mapping of the Pearson LCCI Level 2 Certificate
in Bookkeeping and Accounting (VRQ) - First
teaching January 2015 - ASE20093**

To:

**Pearson LCCI Level 2 Certificate in Bookkeeping
and Accounting (VRQ) – Issue 2 (First teaching
September 2015) - ASE20093**

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Syllabus Topic	Items Covered	Map: State whether Fully covered/Partially covered/ Not covered and the subject content area reference(s), e.g. 2.1 (a)	
1. Recording Financial Transactions	1.1 The principles of double-entry accounting	a) The accounting equation	Although not explicit at this level as it is covered at level 1, learners are expected to appreciate the nature of the accounting equation and how to calculate it.
		b) The functions of the ledger (general ledger and subsidiary ledgers)	Fully covered 1.1 (a)
		c) The documentation used in recording and monitoring business transactions	Fully covered 1.1 (b)
2. Control Accounts	2.1 The purpose and reconciliation of control accounts	a) The purpose of control accounts and the importance of reconciling with the sales and purchase ledger	Fully covered 2.1 (a)
	2.2 The preparation of control accounts	a) Preparation of trade receivables control account and trade payables control account	Fully covered 2.1 (b)
		b) Recording control account balances in the statement of financial position	Fully covered 2.1 (c)

3. Correction of Errors and the Journal	3.1 Correction of errors	a) Different types of error	Fully covered 3.1 (a)
		b) Suspense accounts where the double entry is inaccurate	Fully covered 3.2 (a)
		c) Corrections of errors using the journal	Fully covered 3.2 (b)
		d) Errors that do not affect the agreement of the trial balance	Fully covered 3.2 (b)
		e) The effect of errors on the following: <ul style="list-style-type: none"> • gross profit • profit for the year 	Fully covered 3.2 (c)
	3.2 The journal	a) Other uses of the journal: <ul style="list-style-type: none"> • to open or close a set of books • purchase or sale of a non-current asset • transfer of period end balances to the financial statement • internal transfers of balances 	Fully covered 3.3 (a)
4. Adjustments in Financial Statements	4.1 Depreciation	a) Calculation of depreciation using the following methods: <ul style="list-style-type: none"> • straight line • reducing balance (diminishing balance) • revaluation 	Fully covered 4.2 (c)

		b) Bookkeeping entries for depreciation and accumulated depreciation	Fully covered 4.2 (c)
		c) Disposal of non-current assets	Fully covered 4.2 (d)
		d) Acquisition of non-current assets	Fully covered 4.2 (d)
	4.2 Bad debts and allowance for doubtful debts	a) Reasons for bad debts and the need for allowance for doubtful debts	Fully covered 4.3 (a)
		b) Calculation of allowance for doubtful debts	Fully covered 4.3 (b)
		c) Bookkeeping entries for bad debts and the allowance for doubtful debts	Fully covered 4.3 (c)
		d) Bookkeeping and journal entries for bad debt recovery	Fully covered 4.3 (d)
	4.3 Adjusting for accruals and prepayments	a) Reasons for adjustments for accrued and prepaid income and expenditure	Fully covered 4.4 (a)
5. Partnerships	5.1 Partnerships as a business relationship	a) The formation of a partnership and the partnership agreement	Fully covered 5.1 (b)
		b) Preparation of an appropriation account	Fully covered 5.1 (f)
		c) Purpose and preparation of capital accounts and current accounts	Fully covered 5.1 (f)
6. Limited Liability Companies	6.1 Principles of accounting for limited liability companies	a) Differentiate between: <ul style="list-style-type: none"> • public company and private company • ordinary and preference share capital 	Fully covered 5.2 (b)

		<ul style="list-style-type: none"> • share capital and loan capital • capital, reserves and provisions 	
		b) Preparation of: <ul style="list-style-type: none"> • income statement (statement of changes in equity) • statement of financial position 	Fully covered 5.2 (c)
7. Incomplete Records of a Sole Trader	7.1 Principles of incomplete records	a) Preparation of: <ul style="list-style-type: none"> • a statement of affairs to calculate the profit • an income statement • a statement of financial position 	Fully covered 5.3
8. Manufacturing Accounts	8.1 Principles of manufacturing accounts	a) Calculation of direct costs, prime cost and production cost	Fully covered 5.4 (c)
		b) Adjustment for work in progress	Fully covered 5.4 (c)
		c) Preparation of a manufacturing account	Fully covered 5.4 (c)
9. Accounting for Non-profit Making Organisations	9.1 Principles of accounting for non-profit making organisations	a) The nature of the accumulated fund and the adjustment for surpluses and deficits	Fully covered 5.5 (a)
		b) Calculation of the accumulated fund	Fully covered 5.5 (b)
		c) Preparation of a receipts and payments account	Fully covered 5.5 (e)

		<p>d) Preparation of a subscriptions account:</p> <ul style="list-style-type: none"> • opening and closing balances for subscriptions in advance and in arrears • recording irrecoverable subscriptions 	Fully covered 5.5 (c)
		e) Preparation of a trading account for activities within a non-trading organisation	Fully covered 5.5 (f)
		<p>f) Preparation of an income and expenditure account:</p> <ul style="list-style-type: none"> • recording expenses of a non-profit organisation • the surplus/deficit of activities 	Fully covered 5.5 (g)
		g) Preparation of a statement of financial position	Fully covered 5.5 (h)
		h) Categorisation of non-current assets, current assets, current liabilities, non-current liabilities	Fully covered 5.5 (h)
10. Accounting Ratios	10.1 The calculation and interpretation of accounting ratios	<p>a) Profitability ratios:</p> <ul style="list-style-type: none"> • gross profit as a percentage of sales revenue (margin) • gross profit as a percentage of cost (mark up) • net profit as a percentage of sales revenue • return on capital 	Fully covered 6.1 (a)

		employed (ROCE)	
		b) Liquidity ratios: <ul style="list-style-type: none"> • current (working capital) ratio • liquid (acid test) ratio • accounts receivables collection period • accounts payables payment period • rate of inventory turnover 	Fully covered 6.2 (b)