

## Level 2 Award in Computerised Book-keeping Skills



International  
Qualifications from EDI

### Syllabus

Effective from: 1 October 2011



## **INTRODUCTION**

Education Development International (EDI) is a leading international awarding body that was formed through the merger of the London Chamber of Commerce and Industry Examinations Board (LCCI) and a leading online assessment provider GOAL. EDI now delivers LCCI International qualifications (LCCI IQ) through a network of over 5000 registered centres in more than 120 countries worldwide. Our range of business-related qualifications is trusted and valued by employers worldwide and recognised by universities and professional bodies.

### **Level 2 Award in Computerised Book-keeping Skills**

#### **Aims**

The aim of the qualification is to develop candidates' competence in using computerised accounting software to produce accurate, professional and well presented accounting information employing an appropriate range of accounting procedures. It particularly aims to develop skills in:

- setting up yearly company data and making journal and ledger entries
- processing routine payments and receipts
- producing appropriate accounting reports for management purposes.

#### **Target Audience and Candidate Progression**

This qualification is suitable for people who work or intend to work in an accounting role which requires the computerised processing of daily book-keeping and accounting transactions. Candidates for this qualification must have book-keeping and accounting knowledge and skills equivalent to the LCCI Level 2 Book-keeping and Accounts qualification.

This qualification can be taken as a standalone qualification or as part of the Level 3 Specialised Diploma in Managerial Accounting, Level 3 Specialised Diploma in Accounting and Finance, Level 3 Specialised Diploma in Cost Accounting, Level 3 Specialised Diploma in Business Management and Accounting, Level 2 Diploma in Computerised Accounting or the Level 2 Diploma in Book-Keeping and Accounts.

#### **English requirements**

There are no formal entry requirements for this qualification. However, candidates should have a minimum level of English equivalent to the LCCI Level 2 English for Business or JETSET 4 - (Council of Europe B1/Threshold) to meet the communication requirements for this qualification.

## **Structure of the qualification**

The Level 2 Award in Computerised Book-keeping Skills consists of the following two units:

- 1 Setting up accounting software to manage accounting information
- 2 Process routine payments and receipts using a computerised system

## **Guided Learning Hours**

EDI recommends that 45 - 60 Guided Learning Hours (GLHs) provide a suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours as well as other time when candidates' work is being supervised by teachers. Ultimately, however, it is the responsibility of training centres to determine the appropriate course duration based on their candidates' ability and level of existing knowledge. EDI's experience indicates that the number of GLHs can vary significantly from one training centre to another.

## **ASSESSMENT**

### **Assessment Objectives**

The examination will assess the candidate's ability to use computerised accounting software to:

- enter or restore company data at the start of the financial year and create and maintain accounts
- enter transactions into the Sales, Purchases and Nominal Ledgers
- process entries in the General and Salary Journals
- correct transaction errors
- produce Sales and Purchase Orders and Credit Notes
- produce management reports relating to customers and suppliers
- produce routine reports using relevant selection criteria and parameters.

### **Assessment Format**

The qualification is assessed by an examination in the form of a practical case study, in which it is assumed that the candidate is working in an accounting department using a computerised accounting system. The case study requires candidates to process a variety of business transactions using commercially available computerised accounting software. The time allowed for the examination is 2 ½ hours. The examination is set and marked by EDI.

The examination does not require the use of any specific computerised accounting software. As a guide, the examination is compatible with the following computerised accounting software: Sage 50, MYOB, Microsoft Accounting and QuickBooks. This list is not inclusive and other computerised accounting software may be used. However, centres must ensure that the software they are using will enable candidates to successfully complete the examination before registering candidates.

The examination is available on demand.

All examinations must be carried out in accordance with the *Examination Guide for LCCI Centres* and the *Examination Regulations*, which is sent to centres with the exam papers.

### **Assessment Requirements**

In order to deliver the assessment, centres must meet the following requirements:

- Provide an appropriate room for the assessment where candidates will have individual access to a computer with suitable computerised accounting software for the duration of the examination. The computerised accounting software must enable candidates to achieve all of the assessment objectives and complete the assessment successfully. EDI will not make allowances for software that does not allow candidates to complete the assessment as specified.
- Ensure that candidates can save files in PDF format. Files must be saved in a secure environment and should be backed up.
- Ensure that candidates cannot view each others' work electronically. Therefore, if work is saved onto a network drive, the drive needs to be set up so that each candidate has a section of the drive which only they and the tutor uploading the candidates' work can access. Centres are advised to set up password controlled access to the network area. We recommend that each candidate saves their work into a folder set up with their name and Candidate Number. This will assist centres when uploading work to the Internet Portal.
- Be able to upload candidates' work to the EDI Internet Portal for marking, at the end of the examination. **Therefore, centres must have access to the Internet.** Candidates' work must be uploaded within 48 hours of the examination. EDI recommends that centres maintain an electronic copy of candidates' work on their systems until the results have been issued. Completed tasks should be uploaded to the Internet Portal using the log-in details provided by EDI (please contact Customer Support, your Regional Office or Co-ordinating Authority to receive these details). Information on how to access the Internet Portal and complete guidance on uploading is given in the Support Pack, which is available on the qualification page of our website.

### **Coverage of Units in the Examination**

The practical case study will cover both units and all learning outcomes within the syllabus. All assessment criteria will be covered over two versions of the assessment. No weighting is given to specific assessment criteria.

### **Answer Format**

Candidates are required to carry out all assessment tasks accurately and in accordance with book-keeping practice in a computerised environment. Candidates must generate and save the reports and documents specified in the assessment in PDF format in a folder with their name and candidate number. No printing of reports or documents is required.

## Mark Allocation

Candidates' performance is assessed by checking the generated reports and documents for errors. Grades are determined by the types and number of errors occurring in candidates' work.

Errors are categorised as follows:

### Immediate Fail:

- failure to generate and produce the Trial Balance **or** either the Audit Trail or the complete Nominal Ledger
- failure to generate and produce **more than one** of the other requested reports.

### Processing errors:

A 'processing error' is defined as '*an error that renders the accounts incorrect*'. Examples of processing errors include, but are not limited to, the following:

- an incorrect amount processed
- failure to process a transaction or duplicate of a transaction
- a transaction processed to an incorrect account
- incorrect month or year in date
- failure to generate documents, i.e. Sales Orders, Purchase Orders, Invoices, Credit Notes, Remittance Advice and Statements
- failure to carry out the Bank Reconciliation process.

### Minor errors:

A 'minor error' is defined as '*an error that affects the quality of information rather than the accuracy of the accounts*.' Examples of minor errors include, but are not limited to, the following:

- typographical errors on names, addresses or reference numbers
- incorrect date but within same month
- omission of reference numbers or other data.

Error tolerances are specified below.

## Certification

Successful candidates will be awarded a Pass, Merit or Distinction in the Level 2 Award in Computerised Book-keeping Skills based on the following error tolerances:

	<b>Immediate Fail</b>	<b>Processing Errors</b>	<b>Minor Errors</b>
Pass	None permitted	Maximum of 5 errors permitted	Maximum of 6 errors permitted
Merit	None permitted	Maximum of 3 errors permitted	Maximum of 4 errors permitted
Distinction	None permitted	Maximum of 1 error permitted	Maximum of 2 errors permitted

Centres will receive certificates within a maximum of 6 weeks of candidates' work being uploaded to the portal.

## Recommended Reading List and Support Materials

### Reading List

Title	Authors(s)	Publisher	ISBN Code
Sage 50 Accounting 2010 in Easy Steps	Gillian Gilert	In Easy Steps Limited	978-1840784015
Sage 50 Accounts for Dummies (2010)	Jane Kelly	John Wiley & Sons	978-0470715581
Passport to Success: Level 2 Book-keeping and Accounts	EDI	Hodder Education	978-1-862471112

### Support Material

A sample assessment and worked answers are available on the qualification page of the website. Guidance for Candidates and a Support Pack for tutors are available on the qualification page of the website.

The following training material is recommended for centres using Sage 50:

TUTORIAL (T123b)  
Computerised Accounts c/w 1 copy Tutor's Printouts  
(for use with Sage 50 2010 and Sage Instant Accounts v16)  
Holmes Training Services Ltd  
Telephone: + 44 (0) 7768 342804  
Email: [info@holmestrainingservices.co.uk](mailto:info@holmestrainingservices.co.uk)  
Website: [www.holmestrainingservices.co.uk](http://www.holmestrainingservices.co.uk)

The following training material is recommended for centres using MYOB:

MYOB Computerised Accounting Study Guide (Second Edition) Level 2 and Level 3  
ISBN 978-983-41685-2-0

Note: A Third Edition of the study guide will be available early in 2012.

### How to offer this qualification

To offer this qualification you must be an LCCI IQ registered examination centre. To gain centre approval, please contact Customer Support on 08700 818008 between the hours of 0830 and 1700 (GMT) Monday to Friday or by email on [centresupport@ediplc.com](mailto:centresupport@ediplc.com).

Alternatively you may contact your Regional LCCI Office or Co-ordinating Authority.



## Level 2      Setting Up Accounting Software to Manage Accounting Information

<b>Learning Outcomes:</b>	<b>Assessment Criteria:</b>	<b>Indicative content:</b>
<i>The learner will:</i>	<i>The learner can:</i>	
1 Be able to enter and/or restore data using a Computerised Accounting Package at the start of the financial year	1.1 Enter and/or restore data accurately, for example: <ul style="list-style-type: none"> <li>▪ company name and address</li> <li>▪ financial year</li> <li>▪ program date</li> <li>▪ customer details</li> <li>▪ supplier details</li> <li>▪ nominal accounts</li> <li>▪ VAT* scheme.</li> </ul>	<i>Customer and supplier details including: name, address, contact and reference</i>  <i>Nominal accounts require name and reference</i>  <i>Codes to cover the following VAT* categories should be set up:</i> <ul style="list-style-type: none"> <li>▪ Standard rate</li> <li>▪ Zero rate</li> <li>▪ Exempt</li> <li>▪ Outside the scope of VAT*</li> </ul>
2 Be able to set up Assets, Liabilities, Capital and Budgets	2.1 Enter nominal account opening balances  2.2 Enter budgets	<i>Nominal account budgets</i>
3 Be able to record customer and supplier invoices and credit notes	3.1 Enter information taken from invoices and credit notes into the correct customer and supplier accounts, using the correct nominal code, data and appropriate reference details	<i>Includes entering: transaction date; transaction reference; opening balances; invoices and credit notes; nominal account details; gross amount; net amount; tax code; tax amount</i>  <i>Where settlement discount is offered, the VAT* is calculated on the discounted amount</i>

\*or the relevant national purchase tax, e.g. GST, Consumption Tax, Sales Tax, State Sales Tax, PST, SUT

<p>4 Be able to process receipts from customers</p>	<p>4.1 Allocate monies received by cheque, cash and automatic transfer to the correct customer account, for example:</p> <ul style="list-style-type: none"> <li>▪ part payment</li> <li>▪ payments made on account</li> <li>▪ payments taking account of credit notes</li> <li>▪ payments taking account of previous payments on account</li> <li>▪ settlement discount.</li> </ul> <p>4.2 Enter the correct reference and date</p> <p>4.3 Identify amounts owed by customers</p> <p>4.4 Process bad debts, contra entries and dishonoured cheques</p>	<p><i>Identify amounts owed using: customer account; invoice date; aged debtors' list</i></p>
<p>5 Be able to process payments to suppliers</p>	<p>5.1 Allocate monies paid by cheque, cash and automatic transfer to the correct supplier account, for example:</p> <ul style="list-style-type: none"> <li>▪ part payment</li> <li>▪ part payments made on account</li> <li>▪ payments taking account of credit notes</li> <li>▪ payments taking account of previous payments</li> <li>▪ settlement discount.</li> </ul> <p>5.2 Enter the correct reference and date</p> <p>5.3 Identify amounts due for payment to suppliers</p> <p>5.4 Process contra entries</p>	<p><i>Identify amounts owed using: supplier account; invoice date; aged creditors' list</i></p>
<p>6 Be able to process non-credit payments and receipts</p>	<p>6.1 Process cash and cheque payments and receipts for expenditure and income made on a non-credit basis</p>	<p><i>Includes: processing type (payment; receipt or transfer); reference; date; nominal account details</i></p>

	6.2 Calculate the tax element (e.g. VAT*) where the gross amount and the rate of tax is given, for both payments and receipts.	<i>Calculation includes: gross amount; net amount; tax (VAT*) code; tax (VAT*) amount</i>
7 Be able to process journals	7.1 Process journals for at least three of the following transactions: <ul style="list-style-type: none"> <li>▪ record the purchase of new fixed assets</li> <li>▪ make simple corrections to Nominal Ledger accounts</li> <li>▪ record goods taken by the owner for own use where tax (e.g. VAT*) is not involved</li> <li>▪ records assets introduced by the owner</li> <li>▪ process bad debts from non-credit customers.</li> </ul>	
8 Be able to produce reports using selection criteria and parameters	8.1 Produce a variety of routine reports using correct selection criteria and parameters, for example: <ul style="list-style-type: none"> <li>▪ customer and supplier address lists</li> <li>▪ customer and supplier histories/activity</li> <li>▪ Aged Debtors and Aged Creditors analysis</li> <li>▪ Remittance Advice Notes</li> <li>▪ customer statements</li> <li>▪ budget reports</li> <li>▪ Nominal Account activity</li> <li>▪ Audit Trail</li> <li>▪ Trial Balance.</li> </ul>	

## Level 2      Process Routine Payments and Receipts using a Computerised System

<b>Learning Outcomes:</b> <i>The learner will:</i>	<b>Assessment Criteria:</b> <i>The learner can:</i>	<b>Indicative content:</b>
1 Be able to enter and/or restore data using a Computerised Accounting Package.	1.1 Enter and/or restore data accurately, for example: <ul style="list-style-type: none"> <li>▪ company name and address</li> <li>▪ financial year</li> <li>▪ program date</li> <li>▪ nominal accounts</li> <li>▪ VAT* Scheme</li> </ul>	<i>Nominal accounts require name and reference</i>  <i>Codes to cover the following VAT* categories should be set up:</i> <ul style="list-style-type: none"> <li>▪ standard rate</li> <li>▪ zero rate</li> <li>▪ exempt</li> <li>▪ outside the scope of VAT*</li> </ul>
2 Be able to process petty cash payments and receipts	2.1 Introduce or restore and/or increase a petty cash float  2.2 Enter petty cash voucher and receipt details ensuring that they are coded to the correct nominal code  2.3 Calculate the tax element (eg VAT*) where the gross amount and rate of tax is given, for both payments and receipts	<i>Includes: bank account processing type (payment; receipt or transfer); reference; date; nominal account; details</i>  <i>Calculation includes: gross amount; net amount; tax (VAT*) code; tax (VAT*) amount</i>
3 Be able to process non-credit payments and receipts	3.1 Process cash and cheque payments and receipts for expenditure and income made on a non-credit basis  3.2 Process recurring payments and receipts such as direct debits, standing orders, credit transfers etc  3.3 Calculate the tax amount (e.g. VAT*) where the gross amount and the rate of tax is given, for both payments and receipts	<i>Includes: bank/cash account processing type (payment; receipt or transfer); reference; date; nominal account; details</i>  <i>Calculation includes: gross amount; net amount; tax (VAT*) code; tax (VAT*) amount</i>

\*or the relevant national purchase tax, e.g. GST, Consumption Tax, Sales Tax, State Sales Tax, PST, SUT

<p>4 Be able to correct transaction errors</p>	<p>4.1 Make simple corrections to Nominal Ledger transactions, for example:</p> <ul style="list-style-type: none"> <li>▪ changes of account</li> <li>▪ references</li> <li>▪ amounts</li> <li>▪ tax codes.</li> </ul>	
<p>5 Be able to process salary journals</p>	<p>5.1 Enter details from wages and salary information provided including:</p> <ul style="list-style-type: none"> <li>▪ gross wages and salaries</li> <li>▪ net wages and salaries</li> <li>▪ statutory deductions owed to HM Revenue &amp; Customs**</li> <li>▪ payments to the collector of taxes</li> <li>▪ non-statutory deductions.</li> </ul>	<p><i>Statutory deductions include relevant national taxation on income etc</i></p> <p><i>Non-statutory deductions include optional deductions from wages/salary, e.g. pension schemes etc</i></p>
<p>6 Be able to carry out bank reconciliation</p>	<p>6.1 Match individual items on the Bank Statement against the computer Bank record</p> <p>6.2 Update the computer Bank record with additional items from the Bank Statement</p>	<p><i>Additional items include: credit transfer; standing order; direct debit; bank charges; bank interest; Bankers Automated Clearing System (BACS); dishonoured cheques (returned cheques)</i></p>
<p>7 Be able to produce reports using selection criteria and parameters</p>	<p>7.1 Produce a variety of routine reports using correct selection criteria and parameters, for example:</p> <ul style="list-style-type: none"> <li>▪ bank receipts and payments day books</li> <li>▪ cash and petty cash activity reports</li> <li>▪ Nominal Account histories/activity reports</li> <li>▪ Bank Statement</li> <li>▪ Audit Trail</li> <li>▪ Trial Balance.</li> </ul>	

\*\*or the relevant national tax collection authority

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