

Level I The Certificate in Basic Bookkeeping

The Certificate in Basic Bookkeeping covers the basic principles of double entry bookkeeping and how they are used in business. Students must be able to demonstrate their ability to understand and carry out the following functions:

Business Documents

- 1) Design and produce purchase orders, sales invoices, credit notes and statements of account which include VAT and trade discount
- 2) Understand the basic law relating to contract, the sale of goods and the retention of documents
- 3) Understand the nature of different accounting procedures including a simple system for coding business data
- 4) Understand the need to have an authorisation system for ordering goods
- 5) Understand the need for a systematic filing system for business documents as part of the general administration of a business
- 6) Understand the importance of using recognisable documents in a standard house style
- 7) Understand the various methods of ordering eg fax, internet etc

Books of Original Entry

- 1) Explain why they are needed and from what source of information they are compiled
- 2) Explain the principles of the double-entry system and the functions of the books in this regard
- 3) Draw up the books and enter transactions in them
- 4) Post from them to the ledger accounts
- 5) Make opening journal entries from items provided
- 6) Make journal entries for the purchase of fixed assets
- 7) Make journal entries for the correction of errors
- 8) Correctly set up and make entries in a two column cash book
- 9) Understand the importance of credit control within a business

Credit Control

Explain the importance of credit control ensuring that :

- 1) Payments are made on time
- 2) Overdue debts are reviewed

Ledger Accounts

- 1) Explain their purpose
- 2) Explain the difference between capital and revenue items, and between real, nominal and personal accounts
- 3) Explain the significance of debit and credit entries in each of them
- 4) Make opening entries in them
- 5) Record the double-entry of transactions for capital and revenue items
- 6) Calculate and record their balances
- 7) Write off bad debts
- 8) Make correct entries for payroll transactions

Trial Balances

- 1) Explain why they are needed
- 2) Explain the types of error that they will/will not disclose
- 3) Explain the action to be taken in the case of non-agreement
- 4) Correct any errors made in the posting of any transaction not involving the suspense account.
- 5) Prepare such trial balances

Security of data

- 1) Understand the basic principles of the Data Protection Act
- 2) Understand the functions and services of banks
- 3) Describe the treatment of cheques, direct debits, standing orders, credit transfers, giro credits, CHAPS, BACs, credit and debit cards
- 4) Use cheque books and paying in slips correctly