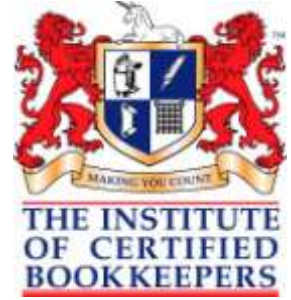


Level III Diploma in Manual Bookkeeping



Prerequisites:	Level I Certificate in Basic Bookkeeping, Level II Certificate in Manual Bookkeeping, Level II Certificate in Computerised Bookkeeping
Study Method:	Supported Self Study
Support:	Telephone/Email
Type of Examination:	Centre-based Assessment

Students must be able to demonstrate their ability to understand and carry out the following functions:

(1) Stock Valuation

Prepare stock valuations and be able to:

- explain the accounting concept relevant to stock valuation
- apply methods of FIFO and AVCO
- calculate the value of stock

(2) Accruals and Pre-payments

Identify the need to provide for accruals and pre-payments and be able to:

- identify the need and purpose of accruals and pre-payments
- calculate accruals and pre-payments
- account for accruals and pre-payments
- prepare relevant journal entries
- show the effect on the final accounts

(3) Provision for Bad Debts

Account for and prepare a provision for bad debts and be able to:

- identify the need to provide such a provision
- calculate the provision
- account for both an increase and decrease in the provision
- prepare the relevant journal entry
- show the effect on the final accounts

(4) Acquisition and Disposal of Assets

Account for the acquisition and disposal of fixed assets and be able to:

- correctly identify the original cost of the asset disposed
- correctly identify and record all acquisition and disposal costs and revenues in the appropriate accounts
- correctly calculate and determine the cumulative depreciation to date on a disposal
- prepare the disposal account
- determine profit and or loss on sale of the asset

(5) Incomplete Records

Prepare a set of final accounts for a sole trader from

incomplete records and be able to:

- determine the opening value of capital through the accounting equation
- determine bank and cash balances
- prepare ledger accounts to determine missing values for sales, purchases, expenses and drawings - use mark up and margin
- identify capital expenditure
- identify stock loss
- prepare adjustments for accruals and pre-payments
- prepare profit and loss account and balance sheet

(6) Partnerships

Prepare a set of final accounts for a partnership and be able to:

- define the term partnership
- identify the characteristics of a partnership agreement
- prepare relevant partnership accounts: capital accounts, current accounts, to the appropriation account
- provide for adjustments at the year end - accruals and pre-payments
- prepare profit and loss account and balance sheet
- prepare accounting entries for the admission and retirement of a partner including the treatment of goodwill



interalia

Borders Learning Centre
Interalia, 26 High Street, Hawick TD9 9EH
t 01450 377726 f 01450 375540
e info@interalia-uk.com w www.interalia-uk.com

(7) Limited Company Accounts

Prepare a set of final accounts for a Limited Company.
Be able to:

- define the term Limited Company
- understand its legal status
- identify sources of capital - shares and debentures
- distinguish between capital and revenue reserves
- define shareholders equity
- account for the issue of shares and debentures
- prepare a set of final accounts to include adjustments and provisions, debenture interest accrued, proposed dividends and provision for corporation tax

(8) Non-profit Making Organisations

Prepare financial statements for 'not for profit organisations' and be able to:

- identify the characteristics of such organisations and their accounting requirements
- prepare an opening statement of affairs
- distinguish between a receipts and payments account and an income and expenditure account
- make adjustments for accruals, pre-payments, depreciation and the treatment of subscriptions in arrears and in advance
- prepare the Income and Expenditure account
- prepare a Balance Sheet
- prepare a brief summary of the accounts for the membership

(9) Interpretation of Financial Statements

Use ratios and performance indicators to assess financial performance and financial position from four perspectives:

- profitability
- liquidity
- utilisation
- financial position

Profitability to include:

- return on capital employed
- gross profit % to sales
- net profit % to sales

Liquidity to include:

- current ratio
- acid test; and working capital ratios as:
 - debtors collection period
 - creditors payment period
 - stock turnover

Utilisation:

- asset turnover

Financial position:

- gearing/leverage
- interest cover

Analyse results and comment on performance and significant trends over time.