

Making you count™

Institute of Certified Bookkeepers

Level IV Certificate in Advanced Bookkeeping and Accounts Syllabus from April 2014

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Level IV Certificate in Advanced Bookkeeping and Accounts

From April 2014

Course Code L4C

Introduction

The Level IV Certificate in Advanced Bookkeeping and Accounts covers the production of a set of accounts from incomplete records, advanced partnership accounts and the preparation and interpretation of internal management accounts for incorporated bodies.

Limits of the qualification

Where reference is made in the syllabus to preparing final accounts for incorporated businesses, this qualification covers the production of internal management accounts only. Those who wish to prepare sets of accounts for directors' signatures under Financial Reporting Standards (both UK and International) should successfully complete this qualification and then take the Level IV Unit in Financial Reporting.

Occupational Role: self-employed bookkeeper / senior employed bookkeeper

On completion of this qualification candidates will be able to carry out the role of an employed or self-employed bookkeeper, producing draft year-end accounts for limited companies and limited liability partnerships in both a manual and a computerised system within the above limitations.

Prior Knowledge

Before commencing the study at this level the candidate should have achieved ICB Level III Certificate in Bookkeeping and Accounts or its equivalent with another awarding body.

Qualification aims

On completion of this level of study a candidate will be able to:

- Prepare a set of accounts for an organisation from incomplete records
- Prepare a set of final accounts for a limited company for internal management purposes
- Prepare a set of final accounts for a limited liability partnership (income statement and balance sheet only – the preparation of notes will not be tested).
- Adjust the capital share of partners in the event of a change of partnership profit sharing ratio
- Interpret financial statements by calculating and explaining ratios for profitability and liquidity

Assessment and Grading

The testing of knowledge and skills for this qualification will comprise two online assessments, one of which will be taken in the candidate's home or place of work, the other of which will be taken at an external ICB centre. Note: the assessment may also test elements of the Level II Certificate in Bookkeeping and the Level II Certificate in Bookkeeping and Accounts.

Paper ABA8 – Final management accounts of incorporated businesses

Home /place of work based assessment to include:

- Final accounts including adjustments for a limited company (internal management accounts format only)
- Limited liability partnerships
- incomplete records
- partnership profit sharing ratios
- calculation and interpretation of ratios
- testing in a computerised accounts system for any and/or all of the above

Paper ABA9 – Level IV External Assessment

- A single assessment to be taken at an external ICB centre will be a mixture of multi-choice and data entry questions which will cover all elements of the syllabus

This full qualification will be graded at Distinction with Honours, Distinction, Merit, Pass or Fail

Both the test and the examination must be successfully achieved to gain the full qualification.

The assessments will each generate an accreditation notification.

The home or office based assessment will be graded as follows:

Distinction	95 -100%
Merit	90 - 94%
Pass	85 - 89%
Fail	0 - 84%

The assessment taken at an external ICB centre will be graded as follows:

Distinction	90 -100%
Merit	80 - 89%
Pass	70 - 79%
Fail	0 - 69%

Once all tests have been successfully completed a final certificate can be applied for and will be will be graded at Distinction with Honours, Distinction, Merit or Pass. Unit results will be aggregated. To achieve the relevant grade in the full qualification, the following % aggregate marks must be achieved:

Distinction with Honours	195 marks and above
Distinction	185 – 195 marks
Merit	170 – 184 marks
Pass	155 – 169 marks

Level of Membership

Successful achievement at the full qualification will lead to the offer to upgrade to Member of ICB and the award of the designatory letters MICB.

Topic 1 – Limited Company accounts	
Learning Outcome	Assessment Criteria
1.1 Prepare a set of final accounts for a Limited Company	Be able to: <ul style="list-style-type: none"> • define the term Limited Liability • 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 • account for dividends paid • prepare a set of final accounts to include: adjustments and provisions, debenture interest paid and accrued, treatment of dividends and provision for corporation tax. Note: the calculation of corporation tax will not be examined

Topic 2 – Limited Liability Partnerships	
Learning Outcome	Assessment Criteria
2.1 Understand the nature of a limited liability partnership	Be able to: <ul style="list-style-type: none"> • understand why a decision might be taken to set up a limited liability partnership • explain the limit of the liability • prepare a set of final accounts for a limited liability partnership (internal management accounts only)

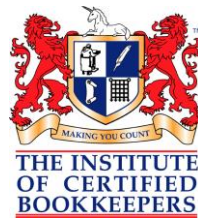
Topic 3 – Incomplete records

Learning Outcome	Assessment Criteria
3.1 Prepare a set of final accounts for incomplete records	Be able to: <ul style="list-style-type: none">• determine the opening value of capital through the accounting equation• determine bank and cash balances• prepare ledger accounts to determine missing values for sales and purchases using mark up and margin, expenses and drawings• identify capital expenditure• identify stock loss• prepare adjustments for accruals and pre-payments• prepare profit and loss account and balance sheet (manual system only)

Topic 4 – Advanced partnership accounts

Learning Outcome	Assessment Criteria
4.1 Account for changes in a partnership	Be able to: <ul style="list-style-type: none">• prepare accounting entries for a change of profit sharing ratio including the admission and retirement of a partner• account for the treatment of goodwill on such a change in partners• account for a revaluation of assets in a partnership

Topic 5 – Interpretation of financial statements	
Learning Outcome	Assessment Criteria
5.1 Understand the importance of interpreting financial statements for internal management purposes.	Be able to: <ul style="list-style-type: none"> • understand the link between profitability and liquidity • have an awareness of the problems that might arise if long term borrowing is significantly high in relation to capital invested in the business
5.2 Analyse and Interpret Financial Statements	Be able to calculate the following: <ul style="list-style-type: none"> • profitability ratios <ul style="list-style-type: none"> - return on capital employed - gross profit % to sales - net profit % to sales • liquidity /working capital ratios <ul style="list-style-type: none"> - debtors collection period - creditors payment period - current ratio - acid test • comment on the results shown from the ratio calculations over time



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