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Institute of Certified Bookkeepers

Level III Certificate
in Bookkeeping and Accounts
Syllabus from April 2014

Level III Certificate in Bookkeeping and Accounting
From April 2014
Course Code L3C

Introduction

The Level III Certificate in Bookkeeping and Accounting covers the preparation of ledger balances, control accounts and reconciliations, adjustments and preparation of final accounts for non-incorporated businesses or organisations.

Occupational Role: Self Employed Bookkeeper/Employed Bookkeeper

On completion of this qualification candidates will be able to carry out the role of an employed or self-employed bookkeeper, be able to reconcile bank statements with the ledgers, produce a VAT return, control the sales and purchases ledgers, post year-end adjustments and produce the final accounts for a sole trader, partnership and not-for-profit organisation in both a manual and a computerised system.

Prior Knowledge

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

Qualification aims

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

- Understand the following areas of underpinning knowledge:
    - The importance of adhering to a set of ethical principles
    - How and when to take action to cope with unethical behaviour
    - The concepts of business entity, going concern, historical cost, consistency, prudence and accruals
    - The legal requirements for forming a partnership
    - Different ways of processing VAT for EU and non-EU transactions
    - Alternative VAT systems e.g. VAT margin scheme
- Prepare a bank reconciliation statement
- Understand the purpose and use of control accounts as a checking mechanism
- Account for VAT and prepare a VAT return
- Prepare a ledger account to record the disposal of a fixed asset and to calculate the profit or loss on disposal
- Calculate adjustments to the accounts including:
    - Opening and closing stock
    - Depreciation of fixed assets
    - Accruals and pre-payments
    - Provision for doubtful debts
- Prepare the final accounts for a non-incorporated business including processing of adjustments for opening and closing stock, depreciation, accruals, prepayments, provision for doubtful debts in the following areas:
    - Sole trader
    - Partnership
    - Not-for-Profit Organisation

Assessment and Grading

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

Paper BA4 – reconciliations and final accounts of a sole trader:

Home / place of work based assessment to include:

- Underpinning knowledge (5% weighting)
- Reconciliation and correction of errors (customer and supplier reconciliations, bank reconciliation, correction of errors) (15% weighting
- VAT Returns (15% weighting)
- Posting adjustments including disposal and acquisition of fixed assets (15% weighting)
- Final accounts of a sole trader (20% weighting)
- Production of final accounts of a sole trader with adjustments using a computerised package (30% weighting)

Paper BA5 – final accounts of a partnership

Home / place of work based covering knowledge and skills assessment to include:

- Underpinning knowledge (10% weighting)
- Posting adjustments including disposal and acquisition of fixed assets (30% weighting)
- Final accounts of a partnership including the appropriation account and production of partners' current accounts (60% weighting)

Paper BA6 – final accounts of a not-for-profit organisation

Home / place of work based knowledge and skills assessment to include:

- Underpinning knowledge (10% weighting)
- Posting adjustments including the subscriptions account and disposal and acquisition of fixed assets (30% weighting)
- Final accounts of a not-for-profit organisation (60% weighting)

Paper BA7 - **Level III External Assessment**

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

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

All tests and the examination must be successfully achieved to gain the full qualification.

Each assessment will generate a separate accreditation notification.

The home or work place based assessments 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 and the examination have been successfully completed a final certificate can be applied for which 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	390 marks and above
Distinction	375 – 389 marks
Merit	350 – 374 marks
Pass	325 – 349 marks

Level of Membership

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

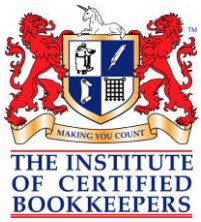
Topic 1 – Underpinning knowledge	
Learning Outcome	**Assessment Criteria**
1.1 Understand the importance of adhering to a code of ethical principles	Be able to: • understand the importance of adhering to a set of professional ethics when working with clients, suppliers, colleagues and others with regards to: – integrity and honesty – objectivity – professional competence and due care and diligence – confidentiality – professional behaviour including separating personal duties from business life – adhering to organisational codes of practice and regulations – working within own professional experience, knowledge and expertise
1.2 Understand when and how to take appropriate action to cope with unethical behaviour	Be able to: • identify relevant authorities to whom unethical behaviour, suspected illegal acts or other malpractice should be reported • identify inappropriate client behaviour and how to report it to relevant authorities • explain the procedure which should be followed if it is suspected that an act has been committed which is believed to be unethical, or illegal
1.3 Understand the legal differences between the structures of various types of businesses	Be able to: • understand the nature of liability for sole traders and partners • define the term partnership • identify the characteristics of a partnership agreement • understand the rules that apply in the absence of a partnership agreement • identify the characteristics of not-for-profit organisations and their accounting requirements
1.4 Understand the main accounting concepts that apply	Be able to: • identify and explain the concepts of: o business entity, going concern, historical cost, consistency, prudence, accruals • identify the method of producing accounts for those businesses who may declare income under the simpler income tax regime for the simplest small businesses
1.5 Understand the different rules that apply when processing VAT transactions	Be able to: • understand that there are different schemes for applying VAT such as: – annual accounting scheme – flat rate scheme – retail scheme – partial exemption – VAT margin scheme Note: questions will not be set testing data entry or completion of VAT returns for such schemes

Topic 2 – Reconciliation of accounts and correction of errors	
Learning Outcome	**Assessment Criteria**
2.1 Reconcile supplier statements	Be able to: • reconcile supplier statements with the accounts
2.2 Prepare a bank reconciliation statement.	In both a manual and computerised system, be able to: • compare individual items on the bank statement with those in the cash book • up-date the cash book • prepare the bank reconciliation statement
2.3 Use control accounts to reconcile sales and purchase ledgers	In both a manual and computerised system, be able to: • reconcile sales and purchase ledger control accounts with totals from the subsidiary ledgers to check the accuracy of the ledgers
2.4 Understand the need to correct errors	Be able to: • understand what to do if the trial balance does not balance • open a suspense account where applicable to account for any imbalance in the trial balance • identify and correct errors, including the correct treatment for VAT, that do not affect the trial balance e.g. omission, commission, principle, original entry, reversal, compensating • prepare and clear the suspense account as appropriate • produce a corrected trial balance • prepare journal entries for the above errors • post relevant corrections in a computerised system

Topic 3 – VAT Returns	
Learning Outcome	**Assessment Criteria**
3.1 Reconcile the VAT account	In both a manual and computerised system, be able to: • reconcile the VAT return figures with the VAT account
3.2 Complete a VAT return	In both a manual and computerised system, be able to: • complete and submit a VAT return (standard and/or cash VAT only)

Topic 4 – Calculate and post adjustments to the ledgers	
Learning Outcome	**Assessment Criteria**
4.1 Calculate depreciation	Be able to: • calculate depreciation on a fixed asset using both straight line and reducing balance method • calculate the original cost price of an asset given net book value and depreciation rates and number of years of depreciation
4.2 Account for the disposal of fixed assets	In both a manual and computerised system, be able to: • correctly identify the original cost of the asset disposed of • correctly identify and record all 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 • make relevant journal entries to record the disposal
4.3 Understand the need to allow for adjustments to the accounts	In both a manual and computerised system, be able to: • post entries to the ledgers for the following adjustments: – opening and closing stock including valuing stock at the lower of cost and net realisable value – accruals and pre-payments including dealing with the relevant entries in the following year – depreciation (straight line and reducing balance) – account for the revaluation of fixed assets – provision for doubtful debts account including ○ identifying the need to provide such a provision ○ calculating the provision ○ accounting for both an increase and decrease in the provision ○ preparing the relevant journal entry

Topic 5 – Final accounts of non-incorporated businesses	
Learning Outcome	**Assessment Criteria**
5.1 Prepare a set of final accounts for a sole trader from a given trial balance	In both a manual and computerised system, be able to: • prepare a trading and profit and loss account from a trial balance to include adjustments • prepare a Balance Sheet showing clearly the main categories of assets and liabilities • close down the revenue accounts at the year end
5.2 Prepare a set of final accounts for 'not-for-profit' organisations	In both a manual and computerised system, be able to: • 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 advance • prepare the Income and Expenditure account • prepare a Balance Sheet • close down the revenue accounts at the year end • prepare a brief summary of the accounts for the membership
5.3 Prepare a set of final accounts for a partnership	In both a manual and computerised system, be able to: • prepare a trading and profit and loss account and appropriation account from a trial balance to include adjustments • provide for the revaluation of assets and show the effect on the various capital and/or current accounts • prepare relevant partnership accounts: capital accounts and current accounts • prepare a balance sheet showing clearly the main categories of assets and liabilities • close down the revenue accounts at the year end



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