

Level I Certificate in Basic Bookkeeping Online

In April 2010 the ICB launched an innovative new system of delivering online tests to students at Level I. The software and infrastructure was designed and built by the Institute's Director of IT, James Carter.

The ICB has now successfully delivered over 900 online tests at Level I across the UK alone. The software provides the ICB with very useful statistics on pass rates, average time taken to complete the tests and statistics on correct and incorrect answers.

To provide students and training providers with information on results and statistics so far, the ICB has compiled comprehensive feedback below.

The following statistics are taken across three online papers at Level I and approximate average percentages are given. Feedback covers the months of April to July 2010.

Average time taken to complete these tests is 76 minutes, with 74% of candidates passing the test in their first attempt. Overall candidates' understanding of the basics of manual bookkeeping was good, but there are still some areas involving the fundamental elements of bookkeeping, double entry and VAT calculation that need to be revisited.

Subject	Element tested	Feedback
Trial Balance	Determine debit or credit balance	Overall the majority of candidates understood which accounts would be either debit or credit, with 3% of candidates struggling to determine the correct postings on the following accounts, VAT (owed to HMRC), Capital, Bank Loan and Debtor and Creditor Accounts.
Sales and Purchase Ledgers	Posting to sales/purchase ledgers including VAT postings	General understanding of the correct postings for gross, net and VAT amount was good, but 16% of candidates struggled with the correct ledger postings and the debit or credit element of the posting. Some candidates had difficulty determining debtors or creditors.

Subject	Element tested	Feedback
VAT	Input or Output Tax	5% of candidates failed to recognise whether the VAT referred to was input or output tax.
Approving Invoice	Observe the invoice and approve for payment	This question posed a problem for a high percentage of candidates who did not clearly understand whether the invoice should or should not be approved for payment. 30% of candidates answered “yes” to approve for payment, which was incorrect. Even though 70% of candidates answered “no” only 40% managed to identify the correct reason for not approving for payment, when they went on to the next question.
VAT Postings	General VAT postings, determine VAT element	10% of candidates gave incorrect answers across the board on VAT postings. They had problems with determining debit or credit postings to the VAT account and calculated incorrect figures when asked to determine the VAT element from a gross figure.
Expenditure	Determine type of Expenditure	8% of candidates struggled with determining the types of expenditure between Revenue and Capital expenditure.