

## **ICB Bookkeeping Software Exam (A3) – Fact Sheet**

Everything you need to know about the online exam

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## Introduction

If you have not passed an accounting/bookkeeping software module as part of your contributing qualification, then as part of your ICB Exemptions application, you'll need to pass the ICB Level 2 Bookkeeping Software Exam (A3).

This is simply our way of checking that your knowledge matches the ICB syllabus, and you can apply your bookkeeping knowledge using commercial bookkeeping software.

Here's what to expect:

- You'll have one exam attempt included with your application.
- Two further exam attempts are available if required (£92.00 per exam)
- Mock exams are available to purchase for £18.00 (two mock exams available)
- Each attempt is 24 hours long.
- The pass mark is 85%.
- You will need to download the model answers for the mock exams as they are self marked.
- Your final exam requires human marking and you will receive your result within 28 days although it is usually much sooner.

## Booking Information

To book your test, please call the ICB Member Services team on 0203 405 4000. Once your exam is booked, we'll send you an email with a link to the exam.

## Important things to know about the exam

- You may use any commercially available bookkeeping software package for the A3 exam. If you do not have a licence or subscription to a package, many software providers offer short-term trial licenses free of charge.
- You have 24 hours to complete the exam. The clock starts when you click the 'Start' button, and you'll see your remaining time on screen at all times.
- Before submitting your exam, make sure you've uploaded all required reports to the exam platform – once you submit, you won't be able to make changes.
- The ICB Exemptions Team is on hand to support you, so please reach out with any questions via [exemptions@bookkeepers.org.uk](mailto:exemptions@bookkeepers.org.uk) or call 0203 405 4000.

## Good to know

- The exam is open book, so you can refer to your notes and resources while you work.
- You must complete the assessment on your own – it should be entirely your own work.
- We can't take responsibility for technical issues on your device, so please make sure your internet connection and computer are working well before you start.
- Prepare well before starting, ensure that you read the whole paper and make notes of changes to nominal codes and accounts, so that you do not forget anything.
- Go through transactions systematically and methodically, ensuring that you do not leave any out. One approach is to print out the scenario and tick off each transaction once you've recorded it in your software.
- Carry out 'sense checks' on the account balances you arrive at, for example:
  - Does the balance make general sense based on the data you've handled? For example, if a customer has made purchases but not yet settled any debt, you expect the closing debtor balance to be higher than at the start of the period.

- Are the values in the right order of magnitude? For example, if sales and purchases are in the hundreds or thousands of pounds, would it make sense for a balance to be in the tens of thousands or have you, perhaps made a keying error when recording a transaction?
  - When uploading reports to the exam software, check:
    - That you upload the correct number of reports,
    - That the report shows as much detail as possible, and
    - That each requested report matches to one of the reports that you have generated and uploaded.
- It is beneficial to familiarise yourself with the different report types before committing to saving a specific report.
- You have 24 hours to complete this examination from the moment you click 'Start', giving you access to the scenario and the list of tasks. Entering the data and producing the reports will not take anywhere near 24 hours but you should use as much of the time available as you need to read the scenario thoroughly to find all the important information that you'll need to complete the tasks.
  - Don't panic, read each task carefully and ensure that you generate and save the correct report at the correct time.

## Types of tasks

Among the tasks that you might be expected to perform are:

- Set up the business organisation's details in your bookkeeping software.
- Enter the names, addresses and opening balances of the business's suppliers and/or customers.
- Enter opening balances from an existing trial balance.
- Record transactions for a short period including:
  - Sales (cash and credit)
  - Purchases (cash and credit)
  - Credit notes (issued and received)
  - Receipts and payments
  - Petty cash expenditure
  - Banking
  - Wages & salaries
- Perform bank reconciliations.
- Produce a final trial balance.
- Produce other reports, such as 'aged debtors' or 'un-reconciled transactions' etc.

## Sample assessment – Orchard Bistro

This sample assessment replicates a live paper that you will take when you are ready.

The Orchard Bistro  
St Nicholas Street  
Cayton  
Scarborough  
YO34 9GT

### **Scenario**

You are the bookkeeper for The Orchard Bistro, a restaurant/café, run as a sole tradership business, owned by Mark Andstrom, that places an emphasis on local produce and high-welfare farming techniques. The owner has prepared the books for several years using a combination of spreadsheets and manual records; however, under the new requirements for filing VAT via digital software, it has been decided that from the financial year start date of 1 April 2021, computerised record keeping will be introduced.

The business uses the standard system of accounting for VAT and the VAT Number is 463587214. VAT quarter end months are June, September, December and March.

### **Task 1 – Set up the company**

From the information given above, set up the company details in your accounting system.

Mark rents a property, the ground floor of which houses the bistro whilst he lives above on the first floor and rents out the second floor to a private tenant. There are no fixed assets shown in the accounts as all the large equipment used in the bistro kitchens is rented. The bistro furniture is second hand and has all been claimed for in earlier taxation years so neither do these items appear in the trial balance.

Edit your chart of accounts to display one sales account called bistro sales and two nominal accounts to reflect the various purchases for food and drink. You will also need to set up a nominal account in the income section to record the rent paid by the tenant, and an expense account for small non-food items such as small equipment (e.g. serving dishes) that are used within the bistro. You will also require a bar sundries

account for petty cash items which should be set up as a direct cost. If your system does not allow for direct costs, then use a cost of sales account. Note: for the purposes of this assessment there are no purchases of fixed assets.

There are no credit sales in this situation. Sales of food and drink in the bistro are either paid for by cash, debit card or credit card (all of which are posted through their respective 'bank' accounts – (a till/cash register account, debit card receipts account and credit card receipts account) into a Bistro Sales Account. Debit and credit card receipts are transferred regularly from the relevant card company to the current bank account. Amounts from the till are banked into the current bank account on a weekly basis, after any cash payments are taken out. Mark also uses a separate petty cash account for small purchases related to the office and this is 'topped up' each week from the till first thing on a Monday morning.

If you do not already have such accounts set up as bank accounts in your chart of accounts, you should set them up before commencing this assessment.

Check that you have the relevant expense accounts set up.

### **Required**

Provide evidence that you have correctly set up the company details including the VAT number and the VAT scheme used. If your software does not produce the relevant report, a screen shot of the information will suffice.

### **Task 2a – Setting up supplier opening balances**

Enter the following suppliers' names and addresses together with opening balances and the VAT rates that have been applied to those balances. Note that purchases of food is zero rated from suppliers that are VAT registered. Purchases of drinks and other items will be standard rates unless otherwise identified.

Supplier Name	Supplier details	Opening balances / outstanding invoices		VAT Rate used on original invoices
		Ref	£	
The Cheese Mouse	45 Britain Street Pickering York North Yorkshire NY56 8RD VAT No: 697481236	45207	456.00	Zero rated
Cecelia's Salads	Church Farm Hunmanby Scarborough North Yorkshire NY34 7GB VAT No: 36745864	OB/56	56.00	Zero rated
Direct Fruit Ltd	The Old Barn Treeston Leeds West Yorkshire WS28 1AL VAT No: 743681690	DF2965	168.00	Zero rated



Pavarotti Pasta	12 The Square Dalston London E8 4ZP Not VAT Registered7	345-689	267.00	Not VAT registered
Bob the Baker	33 Green Street Bridlington Hull Humberside HU22 3ER Not VAT Registered	-	-	
English Wine Co	Coal Lane Reighton Lincoln LN9 7OP VAT No: 512874638	S12765 S12851	368.00 263.00	Standard rated
Grove Farm Meat	46 Maypole Lane Burnesturn Thirsk NY5 1EA VAT No: 327519267	-	-	

### Required

Having completed the above data entry, provide a report showing the above information. Include as a minimum, supplier name and address. A separate report should be included showing the current supplier balances.

### Task 2b – Opening Trial Balance

You have been given the following trial balance as at 1 April 2021. The opening balances need to be posted into your software.

	Dr	Cr
Bank current account	5,020.00	
Credit Card Receipts Account	1,856.00	
Debit Card Receipts Account	100.00	
Till /Cash Register Account	1,100.00	
Petty Cash Account	200.00	
HMRC VAT due		4,713.00
HMRC PAYE and NICs due		985.00
Creditors Control Account / Accounts Payable		1,578.00
Capital Account		1,000.00
	8,276.00	8,276.00

Note: depending on how your software records debtor and creditor opening balances, you will need to deal with the balances on the creditors' control account above appropriately. If your software uses separate accounts for sales tax and purchase tax, then use a VAT liability account for the opening balance.

### Required

Having completed the data entry, provide a trial balance as at 1 April 202X.

### Task 3 – Inputting till sales

Input the following income items via the relevant account. As sales are all standard rated, all income shown below is **inclusive** of standard rate VAT. Cash sales are posted to the till/cash register account whilst debit and credit card sales are posted to the relevant card receipts account. For the purposes of this assessment a week is deemed to 'start' on a Monday and 'end' on the following Sunday.

Week ending	Cash sales	Debit card sales	Credit card sales
4/4/21	1200.00	3000.00	3180.00
11/4/21	2359.20	2412.00	2456.40
18/4/21	2864.40	2767.20	3690.00
25/4/21	560.40	3000.00	2482.80

Each week the various debit and credit card companies transfer cleared funds into the current bank account. To enter these into your accounts, post the following as bank transfers (or payments/receipts depending on how your software deals with such transfers) from the debit and credit card receipts accounts into the current bank account.

**Credit card receipts**

06/04/202X	Credit card receipts transferred	3900.00
14/04/202X	Credit card receipts transferred	2500.00
20/04/202X	Credit card receipts transferred	3500.00
29/04/202X	Credit card receipts transferred	2400.00

**Debit card receipts**

08/04/202X	Debit card receipts transferred	2800.00
13/04/202X	Debit card receipts transferred	2600.00
22/04/202X	Debit card receipts transferred	2750.00
30/04/202X	Debit card receipts transferred	2900.00

**Required**

Provide reports showing details all transactions in this task.

**Task 4 – Posting supplier invoices and credit notes**

Post the following invoices that have been received during April into your system.

Supplier	Description	Invoice Date	Invoice Number	Price (excluding VAT as applicable)	VAT rate
Bob the Baker	Oven bottom loaves	02/04/21	574	70.00	Zero
Bob the Baker	36 bags seeded rolls	20/04/21	588	50.00	Zero
Bob the Baker	50 assorted sponge cakes	26/04/21	591	47.00	Zero
Cecelia's Salad	32 bags mixed salads	05/04/21	OB/61	40.00	Zero
Cecelia's Salad	1 large box of tomatoes	09/04/21	OB/68	20.00	Zero
Cecelia's Salad	Assorted vegetables	26/04/21	OB/71	39.00	Zero
The Cheese Mouse	Cheese selections	05/04/21	45301	70.00	Zero
The Cheese Mouse	Fruit chutneys	12/04/21	45378	23.50	Zero
The Cheese Mouse	Cheese boards and knives	28/04/21	45399	247.00	Standard
Direct Fruit Ltd	2 boxes of assorted fruit	13/04/21	DF3341	30.00	Zero
Direct Fruit Ltd	3 boxes of assorted fruit	20/04/21	DF3442	45.00	Zero
English Wine Co	Mixed merlot case	12/04/21	S12987	70.50	Standard
English Wine Co	Mixed white case	20/04/21	S13014	141.00	Standard
Grove Farm Meat	Chicken fillets	02/04/21	CF1460	168.00	Zero
Grove Farm Meat	Free range chicken	13/04/21	CF1478	190.00	Zero
Pavarotti Pasta	20kg penne	20/04/21	345-766	150.00	Not VAT registered
Pavarotti Pasta	30kg linguine	29/04/21	345-789	250.00	Not VAT registered

Post the following credit notes. For the purposes of this assessment, post the credit notes to the relevant purchases accounts rather than set up separate purchase returns accounts.

Supplier	Description	Credit Note Date	Credit Note Number	Associated Invoice	Price (excluding VAT as applicable)	VAT rate
Grove Farm Meat	Credit bad chicken	29/04/21	CR2201	CF1460	20.00	Zero
English Wine Co	Credit corked merlot	28/04/21	C8894	S12987	23.50	Standard

### Required

- ii) Provide a report showing details of the above invoices and credit notes. Your report should show the nominal code to which the relevant document has been posted and the VAT category used.
- ii) Provide a report showing an Aged Creditors analysis as at 30 April 2021. Note: your report should show individual outstanding invoice balances due and not just a summary total figure.

### Task 5 – Receipts and payments

Post the following amounts paid from the current bank accounts to the appropriate suppliers' accounts. You should ensure that all relevant credit notes are offset prior to posting the receipt or payment where relevant. All payments and receipts are made via BACS transfer.

Supplier	Date Paid	Invoice Number Paid	Total Amount Paid
Bob the Baker	10/04/21	574	70.00
	28/04/21	588	50.00
Cecelia's Salad	15/04/21	OB/58 OB/61 OB/68	116.00
The Cheese Mouse	15/04/21	45207 45301	526.00
Direct Fruit Ltd	15/04/21	DF2965	168.00
English Wine Co	30/04/21	S12765 S12851 S12987 C8894	687.40
Grove Farm Meat	30/04/21	CF1460 CR2201	148.00
Pavarotti Pasta	30/04/21	345-689	267.00

### Other sundry bank payments and receipts

Post the following as either bank payments or receipts depending on how your software deals with such items.

Date Paid	Other payments and receipts	Value	Notes
		£	
19 Apr	HMRC (PAYE)		Paid outstanding March PAYE and NICs
24 April	Equipment rental payment (expense)	£4800.00	Paid to KE Hire Ltd for April equipment rental (including standard rate VAT)
30 Apr	HMRC (VAT)	£4713.00	Paid previous quarter VAT due
30 Apr	Rent income for April from tenant	£450.00	VAT Exempt income item for rent of private accommodation
30 April	Cash drawn	£8000.00	Owner's private drawings

### Required

Provide report(s) showing

- I. The above supplier payments that have been processed and that the relevant invoices/credit notes have been cleared.
- II. Details of the other sundry bank payments



## Task 6 - Petty Cash

The following amounts are small petty cash payments. Each week the cash payments are posted through a petty cash account on the relevant date and first thing on a Monday morning the cash re-imbursement is taken directly from the till, restoring the balance in the petty cash tin to £200. You should use the following expense accounts only: cleaning and bar sundries (a direct expense or cost account).

Date	Description of expense	Voucher Number	Value	VAT Notes
April 202X			£	
1	Cleaning items	1	28.80	Includes VAT
2	bar sundries	2	36.00	Includes VAT

Date	Description of expense	Voucher Number	Value	VAT Notes
April 202X			£	
7	Pens and paper for taking orders	3	48.00	Includes VAT
9	Cleaner's invoice	4	60.00	Not registered for VAT

Date	Description of expense	Voucher number	Value	VAT Notes
April 202X			£	
14	Cleaning items	5	56.40	Includes VAT
15	Bar sundries	6	66.00	Includes VAT

Date	Description of expense	Voucher number	Value	VAT Notes
April 202X			£	
21	Box of coasters for bar	7	85.80	Includes VAT
24	Cleaner's invoice	8	85.00	Not registered for VAT

### Required

Having completed the data entry and the transfer of the required amount from the cash on the relevant dates to replenish the petty cash, produce a report to show details of all items posted. Note: your report must show the nominal account posting and the treatment of VAT.

### Task 7 – Banking cash

Mark decides that, after the re-imbursement to the petty cash tin, he should bank cash from the till each Monday, such that this leaves a balance of £500 in the till each Monday. Enter the necessary transactions.

### Required

Produce report(s) showing details of the banking transactions.

### Task 8 - Wages and salaries

Below is the relevant information regarding wages and salaries for the month of April 202X. Note: all staff are on zero hour contracts and none earn enough to be registered into a work-place pension scheme.

Having set up any new accounts that may be required in the ledger, enter the relevant wages and salaries journal for the month ending 30 April 2021.

Staff wages and salaries (gross)	£5,600.00
Employees' National Insurance	£385.00
PAYE deductions	£207.00
Employer's National Insurance	£401.00

**Required**

Produce a report showing the above journal entries

**Task 9 – Bank reconciliation**

You have received the following bank statement from your bankers. You will need to reconcile this Bank statement with the bank account, updating your accounts as appropriate to enter any items in the statement which are not in your accounts already.

**Midshire Bank PLC  
Summers Road  
Worcester  
Worcestershire**

**Account of Orchard Bistro**  
**Account number 45785214**

**Statement Date** 30 April 202X  
**Statement No** 102  
**Sort code** 40-69-70

Date	Details	Receipts	Payments	Balance
01/04/2021	Balance Brought forward			5020.00
08/04/2021	Banked cash	1735.20		6755.20
08/04/2021	Debit card receipts	2800.00		9555.20
10/04/2021	Bob the Baker		70.00	9485.20
10/04/2021	Credit card receipts	3900.00		13385.20
14/04/2021	Debit card receipts	2600.00		15985.20
15/05/2021	Banked cash	2251.20		18236.40
15/04/2021	Cecelia's Salad		116.00	18120.40
15/04/2021	The Cheese Mouse		526.00	17594.40
15/04/2021	Direct Fruit Ltd		168.00	17426.40
19/04/2021	HMRC (PAYE)		985.00	16441.40
20/04/2021	Credit card receipts	2500.00		18941.40

22/04/2021	Banked cash	2742.00	21683.40
22/04/2021	Debit card receipts	2750.00	24433.40
24/04/2021	Equipment rental	4800.00	19633.40
25/04/2021	Credit card receipts	3500.00	23133.40
28/04/2021	Bob the Baker	50.00	23083.40
29/04/2021	Banked cash	389.60	23473.00
30/04/2021	Debit card receipts transferred	2900.00	26373.00
30/04/2021	HMRC (VAT)	4713.00	21660.00
30/04/2021	Rent income	450.00	22110.00
30/04/2021	Drawings	8000.00	14110.00
30/04/2021	Credit card receipts	2400.00	16510.00

### Required

Provide a report (or reports) showing that the above reconciliation has been correctly carried out. If your software produces a full bank reconciliation report, then this will suffice but if not, you should provide a report that identifies both reconciled **and** unreconciled items. The report you choose will depend on what is available within your system.

### **Task 10 – Trial Balance**

In addition to the reports already produced for earlier tasks, you should produce the following:

- I. Report(s) showing the full set of nominal accounts and where they appear in the chart of accounts.
- II. Trial Balance as at 30 April 202X

**This is the end of this sample assessment**