

ICB Level 3 Online Skills Appraisal – Fact Sheet

Everything you need to know about the online appraisal

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Introduction

As part of your ICB Exemptions Application, you'll need to complete an online skills appraisal. This is simply our way of checking that your knowledge matches the ICB syllabus, so we can make sure you're joining at the level that's right for you.

Here's what to expect:

- You'll have three exam attempts available.
- There are 25 questions.
- Each attempt is three hours long.
- The pass mark is 85%.
- **After your exam:** You'll receive a report to guide your preparation to resit if necessary. Exam reports highlight syllabus areas where you lost marks, to help focus your revision before a resit.

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

- Your exam will be available for 14 days from your booked date and time.
- This window includes the three hours you'll have to complete it. The clock starts when you click the 'Start' button, and you'll see your remaining time on screen at all times.
- You can skip questions you're unsure about and come back to them later. You can also review any section before you finish.

- Before clicking 'Finish', make sure you've completed every task and are happy with your answers – once you submit, you won't be able to make changes.

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.
- Once you click 'Finish', your result is final.
- Take your time, work through each section carefully, and remember – you've got this!

Support available

We have created a dedicated online Learning Hub to guide you through the process. It's packed with resources, tips, and practice materials to help you succeed. You can purchase access from the ICB online shop for £79.

The ICB Exemptions Team is on hand to support you, so please reach out with any questions via exemptions@bookkeepers.org.uk or 0203 405 4000.

Topics covered

The topics that are covered within the exam are:

1. Credit sales
2. Credit purchases
3. Calculation of invoices
4. Chart of accounts
5. Correction of errors
6. VAT Return (standard accounting)
7. Depreciation of assets
8. Sole Trader final accounts
9. Partnership appropriation account
10. Ltd Company – Underpinning knowledge
11. Issue of shares
12. Ltd Company balance sheet

Sample questions

Below are a few samples of the type of questions you may come across in the exam.

Credit Purchases and Returns
Time remaining: 1 hour 5 minutes
This section contains 2,000 marks
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Liu is a non-VAT registered sole trader who receives an invoice for purchases for £35 plus VAT which is due for payment in 14 days. When the transaction is entered into Liu's accounts, to where will the various elements of the invoice be posted?

- ☐ Debit Purchases Account £35, Debit VAT Input Account £7, Credit Supplier £42
- ☐ Debit Purchases Account £42, Credit Supplier £42
- ☐ Debit Purchases Account £35, Debit VAT Input Account £7, Credit Bank Account £42
- ☐ Debit Purchases Account £42, Credit Bank Account £42

Project Support Ltd is a non VAT registered company. They have received an invoice from Stationery Solutions for £320 + VAT. How will this be posted in the books of Project Support Ltd?

- ☐ Debit Purchases £320, Credit Stationery Solutions £320
- ☐ Debit Purchases £384, Credit VAT £64, Credit Stationery Solutions £320
- ☐ Debit Purchases £384, Credit Stationery Solutions £384
- ☐ Debit Purchases £320, Debit VAT £64, Credit Stationery Solutions £384

Howard is a VAT registered sole trader who receives an invoice for purchases for £100 plus VAT which is due for payment in 28 days. When the transaction is entered into Howard's accounts, to where will the various elements of the invoice be posted?

- ☐ Debit Purchases Account £100, Credit Supplier £100
- ☐ Debit Purchases Account £100, Debit VAT Input Account £20, Credit Bank Account £120
- ☐ Debit Purchases Account £100, Credit VAT Output Account £20, Credit Bank Account £80
- ☐ Debit Purchases Account £100, Debit VAT Input Account £20, Credit Supplier £120

An invoice for purchases amounting to £550 plus VAT has already been entered into the accounts. When the invoice is paid from the bank, what is the result of this posting in the accounts?

- ☐ Debit purchases £550, Credit bank £550
- ☐ Debit purchases £550, Debit VAT £110, Credit bank £660
- ☐ Debit supplier £550, Credit bank £550
- ☐ Debit supplier £660, Credit bank £660

Credit Sales and Returns

Time remaining: 1 hour 5 minutes

This section contains **2,000** marks

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Julian is VAT registered and raises an invoice to Edwin for £560 plus VAT. When the transaction is entered into Julian's accounts, to where will the various elements of the invoice be posted?

- ☐ Debit Sales Account £560, Debit VAT Input Account £112, Credit Edwin £672
- ☐ Debit Sales Account £560, Debit VAT Output Account £112, Credit Edwin £672
- ☐ Credit Sales Account £560, Credit VAT Input Account £112, Debit Edwin £672
- ☐ Credit Sales Account £560, Credit VAT Output Account £112, Debit Edwin £672

London Light & Co. is VAT registered and raises an invoice to RB Interior Design for electrical lamps to the value of £650 plus VAT. When the transaction is entered into London Light & Co's accounts, to where will the various elements of the invoice be posted?

- ☐ Debit London Light & Co £780.00; Credit Sales Account £650.00; Credit VAT Output Account £130.00
- ☐ Debit RB Interior Design £780.00; Credit Sales Account £650.00; Credit VAT Output Account £130.00
- ☐ Debit Purchases Account £130.00; Debit VAT Input Account £130.00; Credit London Light & Co £780
- ☐ Debit Purchases Account £650; Debit VAT Input Account £130.00; Credit RB Interior Design £780.00

Billy James is VAT registered and sells goods for £76.80 (incl. VAT) to ABC Ltd. When the transaction is entered into Billy James' accounts, to where will the various elements of the invoice be posted?

- ☐ Debit Sales £64.00; Debit VAT Output £12.80; Credit ABC Ltd £76.80
- ☐ Credit Sales £64.00; Credit VAT Output £12.80; Debit ABC Ltd £76.80
- ☐ Credit Sales £76.80; Credit VAT Output £15.36; Debit ABC Ltd £92.16
- ☐ Debit Sales £76.80; Credit VAT Output £12.80; Credit ABC Ltd £64.00

Calculation of Invoices

Time remaining: 1 hour 5 minutes

This section contains

The following items appear on an invoice issued by a VAT registered wholesaler to a retail outlet that sells school uniforms:

90 shirts @ £5 each, 50 pairs trousers @ £8 per pair and 150 sweaters @ £10 each, all of which are standard rated.

In addition the business sells 100 children's shirts at £2.50 each, 50 pairs of shoes at £15 per pair and 15 school blazers at £25 each, all of which are zero rated.

You are asked to complete the details on the invoice table below which will be printed out on headed stationery.

Item Description	Amount	Unit Price	VAT Rate	Net
Shirts	90	5.00	Standard	<input type="text"/>
Trousers	50	8.00	Standard	<input type="text"/>
Sweaters	150	10.00	Standard	<input type="text"/>
Shirts	100	2.50	Zero	<input type="text"/>
Shoes	50	15.00	Zero	<input type="text"/>
Blazers	15	25.00	Zero	<input type="text"/>
Total Net Goods				<input type="text"/>
VAT				<input type="text"/>
Gross Invoice Price				<input type="text"/>

Total Net Goods at Standard Rate

Total Net Goods at Zero Rate

If a trade discount of 5% is offered what would be the amended invoice figures?

Net Invoice Price

VAT

Gross Invoice Price

Which of the following would invalidate the above invoice when it is printed out?

Depreciation of assets

Time remaining: 1 hour 5 minutes

This section contains 10.000 marks

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Charmaine Cheddon, who is VAT registered, sells a range of high quality office furniture. At the end of the financial year 31 March 2017 her fixed assets showed the following balances prior to depreciation being charged for this year:

Warehouse Fixtures and Fittings at cost £86,000

Provision for depreciation on Warehouse Fixtures and Fittings at 1 April 2016 £17,200

If the fixtures and fittings are depreciated at 10% per annum using the straight line method, what will be the depreciation charged in the year ended 31 March 2017 to the nearest £1?

By the end of the financial year 31 March 2017 for how many years would she have owned the assets assuming a full year of depreciation in the year of purchase?

In April 2015 Charmaine purchased some new display equipment for £12,000 (plus VAT). It was decided to depreciate the equipment at 15% per annum using the reducing balance method. What would be the amount of depreciation that would be charged in the year ended 31 March 2017 to the nearest £1?

What will be the net book value of the display equipment after the depreciation is charged for the year ended 31 March 2017 to the nearest £1?

Charmaine decides to purchase some office equipment to the value of £7,200 including VAT. If she estimated that the equipment will last for 5 years and have a net resale value of £500 plus VAT at the end of that period, using the straight line method of depreciation, how much would be charged each year?

Sole Trader Final Accounts

Time remaining: 1 hour 5 minutes

This section contains **21,000** marks

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The following balances are taken from the books of Anthony Steel, a self-employed painter and decorator, at 31 December 201X after the year-end adjustments have been posted (including opening and closing stock journals and the calculation of depreciation):

	£
Capital	24,190
Motor vehicles at cost	24,500
Provision for depreciation MV	12,250
Fixtures and Fittings at cost	18,500
Provision for depreciation F&F	5,550
Closing stocks of materials	2,700
Cash at bank	1,400
Petty cash	200
Debtors	6,100
Provision for doubtful debts	122
Creditors	3,050
VAT rebate owed by HMRC	2,860
Bank loan (repayable within 1 year)	9,750
Sales	101,400
Cost of sales	42,100
Motor Expenses	8,450
Finance charges	2,456
Other expenses	17,196
Depreciation charge for the year	4,850
Drawings	25,000

Using these figures complete the summarised profit and loss account and balance sheet below.

Trading, Profit and Loss Account for the year ended 31 March 201X

	£
Sales	<input type="text"/>
less cost of sales	<input type="text"/>
Gross Profit	<input type="text"/>
Less expenses	<input type="text"/>
Net profit	<input type="text"/>

Balance Sheet as at 31 March 201X

	£	£
Total Fixed Assets at NBV		<input type="text"/>
Total Current Assets	<input type="text"/>	
Total Current Liabilities	<input type="text"/>	
Working Capital		<input type="text"/>
Net Assets		<input type="text"/>
Financed by:		
Opening Capital		<input type="text"/>
Net Profit / Loss		<input type="text"/>
Drawings		<input type="text"/>
Closing Capital		<input type="text"/>

Once you have answered all the questions and clicked 'Finish' you will be taken to a screen which shows a summary of the sections of the exam.

You may click on any section to go back to check your answers. It is your responsibility to check that you have completed all the tasks and that you are happy with your answers before you click 'Finish' from the final screen, at which point your answers will be submitted and you will no longer be able to gain access to this paper.

	Marks
Credit Sales	6 Marks
Credit Purchases	6 Marks
Calculation of Invoices	15 Marks
Chart of Accounts	14 Marks
Correction of errors	10 Marks
VAT Returns - Standard accounting	15 Marks
Depreciation of assets	10 Marks
Sole Trader Final Accounts	21 Marks
Partnership Appropriation Account	20 Marks
Limited Company - Underpinning Knowledge	5 Marks
Issue of shares	7 Marks
Limited Company balance Sheet	12 Marks