



UK COLLEGE
OF BUSINESS AND COMPUTING

AAT- ASSOCIATION OF ACCOUNTING TECHNICIANS

AQ2016 - AAT Foundation Certificate in Accounting

COURSE HANDBOOK
AAT LEVEL 2

AQ2016 - About AAT

AAT works across the globe with around 130,000 members in more than 90 countries. Its members are represented at every level of the finance and accounting arena, including students, people already working in accountancy and self-employed business owners.

AAT members are ambitious, focused accounting professionals, many occupying senior, well rewarded positions with thousands of employers from blue-chip corporate giants to public sector organisations.

AAT qualifications are universally respected and recognized. Organisations hire AAT qualified members for their knowledge, skills, diligence and enthusiasm, because AAT represents the highest standards of professionalism.

In a nutshell, an AAT qualification is a route to some of the most in-demand skills in the world, and provides its students and members with a professional status to be proud of.

The Association of Accounting Technicians (AAT) is sponsored by the chartered accounting bodies CIMA, CIPFA, ICAEW and ICAS.

AQ2016 - Ethics: AAT sets and raises standards

AAT is about more than qualifications. AAT is well recognized and respected as a professional membership body throughout a wide range of businesses and requires its members to have a professional and ethical approach throughout their accountancy and finance careers.

It is because of its exceptionally high standards, quality training and the professionalism of its members that AAT members are so highly regarded. This is a benefit to AAT as a professional body and to its members.

It publishes the AAT Code of Professional Ethics, which sets out a code of fundamental ethical principles and supporting guidance. The decisions an accounting technician makes in the course of their professional life can have real ethical implications, this is where the Code helps: Hence, it:

- Sets out the required standards of professional behaviour, with guidance to help its members achieve them.
- Helps its members to protect the public interest.
- Helps its members to maintain AAT's good reputation.

To reflect the realities of the workplace, AAT has embedded ethical dilemmas and decision making throughout the course of AAT's qualifications and assessments. It hopes that this will help to set its members on the right path as they embark on careers as accountancy or finance professionals.

[AQ2016 - Student membership: Support every step of the way](#)

Becoming an AAT student member is essential to:

- Study AAT qualifications
- Sit AAT Assessments
- Access AAT resources that support successful study and career progression.

AAT student membership fees are charged annually, and a one-off admission fee applies. Registering early will avoid delays in assessment.

AAT supports and develops its members through more than 500 AAT approved training providers across the world. It also has an extensive branch network where members can access support and training, and meet other AAT members in their local area.

Prospective students wishing to register onto the AAT Foundation Certificate in Accounting are able to register online via the AAT website. Students are advised to register with an AAT-approved

training provider (UKCBC) before registering as a student member with the AAT. On registration, an email confirming registration and AAT student membership number will be sent.

[AQ2016 - Choosing to study the AAT Foundation Certificate in Accounting](#)

1. Who should choose to study this qualification?

The AAT Foundation Certificate in Accounting is an ideal starting point for anyone wishing to pursue a career in accountancy or finance. The purpose of the AAT Foundation Certificate in Accounting is to offer grounding in the core accounting knowledge and skills needed to progress either to employment or to further study. This qualification is suitable for young people who have just left school as well as for adults returning to work after a break or those who are not currently in employment.

This qualification could also help someone who is already working in an entry-level finance role to progress in their career by offering them development and formal recognition of their skills.

AAT does not set any prerequisites for the study of the AAT Foundation Certificate in Accounting. However, for the best chance of success, it recommends that students begin their studies with a good standard of English and Mathematics. If students do have any other relevant school or college qualifications, a degree or some accounting experience, these may in certain circumstances entitle students to claim exemptions

2. Why choose this qualification?

At Foundation level, AAT offers both the AAT Foundation Certificate in Accounting and the AAT Foundation Diploma in Accounting and Business.

Students studying part time alongside employment or those who already have some work experience may wish to choose the AAT Foundation Certificate in accounting to focus solely on building

their accountancy and finance skills in order to progress quickly to the next level of study.

This qualification will usually take around one year to complete, but this will depend on study method and course timetable. It may be possible to complete this qualification in as little as six months.

3. What does the qualification cover?

The AAT Foundation Certificate in Accounting covers a range of foundation accounting and finance skills in five mandatory units (**240 guided learning hours**). The purpose of this qualification is to ensure that students are well prepared to progress into a business, finance or professional accountancy career or further education.

All of the units within the qualification are mandatory. Four units are assessed individually in end-of-unit assessments, but this qualification also includes a synoptic assessment, sat towards the end of the qualification, which draws on and assess knowledge and understanding from across the qualification:

- Bookkeeping Transactions
- Bookkeeping Controls
- Elements of Costing
- Using Accounting Software
- Work Effectively in Finance.

A student completing this qualification will develop accountancy skills in double-entry bookkeeping and basic costing, as well as an understanding of purchase, sales and general ledgers. Students will learn to use accounting software and to develop the professional skills and behaviours needed to contribute effectively in the workplace. Working in accountancy requires good communication skills, IT skills and understanding of the business environment, all of which are included in the qualification.

It is good practice for students to work with employers while studying; however, for students on full-time programmes, it may be a mandatory course requirement. This may include work experience or placements, working on projects or exercises set or supervised

by those working in the industry, or by attending master classes or guest lectures by people working in accounting.

Employers also contribute to the development of AAT qualifications. A student who passes an AAT assessment is passing a test of real workplace skills, set in a real workplace context which has been reviewed by practitioners and industry experts.

4. What will this qualification lead to?

The accountancy skills developed by studying this qualification will enable a student to seek employment with confidence, and/or to progress to the next level of learning.

A student completing this qualification will develop skills in double-entry bookkeeping and will understand how to use journals, control accounts and a trial balance. Students will also learn how to use an accounting software package, how to process financial information in accordance with company procedures and schedules, and how to provide information to colleagues, suppliers and/or customers as required.

The finance, accountancy, business and communications skills developed in the AAT Foundation Certificate in Accounting can lead to employment as:

- An accounts administrator
- An accounts assistant
- An accounts payable clerk
- A purchase/sales ledger clerk
- A trainee accounting technician
- A trainee finance assistant

The accountancy and finance knowledge developed in this qualification is also the underpinning knowledge and understanding needed for the higher-level accountancy and financial skills developed in the AAT Advanced and Professional Accounting Qualifications:

- AAT Advanced Diploma in Accounting

- AAT Professional Diploma in Accounting.

For instance, double-entry bookkeeping at Foundation level is the basis for Advanced Bookkeeping in the Advanced Diploma, which leads on to Financial Statements of limited companies in the Professional Diploma. Students are introduced to costing at Foundation level, which is developed in the Management Accounting unit in the Advanced Diploma, and expanded further in the Professional Diploma.

5. Is this part of an apprenticeship?

The AAT Foundation Certificate in Accounting is not part of an apprenticeship but will set the foundation of accounting skills and knowledge needed to progress to apprenticeships at level levels.

6. Support for this qualification

AAT qualifications are recognized and valued by employers as vocational and technical qualifications that effectively prepare students for the world of work and for working specifically in accountancy and finance roles.

[AQ2016 - About the AAT Foundation Certificate in Accounting](#)

Qualification Name: AAT Foundation Certificate in Accounting

Qualification Number: 601/6552/2

Level: 2

Qualification size: 240 guided learning hours

1. Topics in the AAT Foundation Certificate in Accounting

The following list shows the relative content weighting of the AAT Foundation Certificate in Accounting:

- Financial Accounting - 44%
- Management Accounting - 19%
- Software Skills - 19%

- Employability Skills -19%

2. Is this qualification linked to the National Occupational Standards?

This qualification is linked to the current occupational standards in accountancy, last revised in 2012:

“Accountancy National Occupational Standards”

3. Are there any prerequisites for this qualification?

AAT does not set any prerequisites for the study of the AAT Foundation Certificate in Accounting. However, for the best chance of success, it recommends that students begin their studies with a good standard of English and Mathematics.

Accountants work at the very heart of a business and are expected to be able to communicate information clearly and appropriately for a given audience.

AAT recommends that students use “AAT Skillcheck” to ensure that they are ready to start on a particular qualification.

4. Will current students be able to transfer their results onto this qualification to complete their studies?

Students who have already started an AAT qualification should try to complete their studies on their current programme where possible.

If this is not possible, transitional arrangements may be available. In some cases, students may be able to transfer results for current units to similar units in an updated qualification, although this will be strictly time-limited.

It is important to check “The AAT Website” for the latest information to see if transitional arrangements apply.

5. Recognition of prior learning (RPL)

If a student can demonstrate they already have the knowledge and skills to meet the assessments for a unit, they may be eligible for

RPL. This must be arranged through a registered AAT training provider and mapping of the student's skills and knowledge must be uploaded AAT's assessment platform. There are restrictions on which units may be claimed under exemptions or RPL, and restrictions on the number of units that may be claimed.

For the AAT Foundation Certificate in Accounting, RPL is only available for some unit assessments. This along with the restriction on the number of units that may be claimed, ensures that at least 50% of the qualification will always be externally assessed.

Where RPL is successfully claimed for a unit assessment, the student will be given a mark for that assessment of 70% (the pass threshold), and this mark will be used in determining the final qualification grade. In order to achieve a higher mark, the assessment must be taken as normal.

It is not possible to claim RPL for the synoptic assessment. This must be completed and passed for the student to be awarded these qualifications. Full details of RPL may be found on "The AAT website".

[AQ2016 - Exemptions](#)

1. From AAT assessments

Exemptions may be offered to students who can provide evidence of gaining a previous, relevant qualification. If eligible, students may be exempt from sitting some AAT assessments. This includes students who have completed a recognised accounting or finance-related degree with one of AAT's partner universities.

There are restrictions on how many exemptions are allowed within each qualification. Fees will be charged for exemptions.

For the AAT Foundation Certificate in Accounting, no exemption can be claimed for the synoptic assessment or for units that are assessed only via the synoptic assessment. Exemptions will only carry a 70% pass into the overall grade of the qualification.

Further details on exemptions may be found on “The AAT Website”

2. From the first year of university

AAT qualifications are a great alternative to university, but some students may wish to go on and study for a degree. A number of institutions, including universities, offer exemptions for AAT qualified members. Students should contact the individual institutions to confirm their exemption policies. UCAS points may be available for AAT qualifications, although UCAS points will not automatically offer entry to some HE courses. Further information on UCAS may be found on the “The UCAS Website”

A list of universities that offer exemptions to AAT students may be found on “The AAT website”

To request an exemption from a course at a specific institution not listed here, a contact name, the course name and UCAS code, if possible, should be sent to: heprogression@aat.org.uk AAT will write directly to the institution to request consideration for exemptions.

Further details on exemptions may be found on “The AAT website”

3. From chartered accountancy bodies

For students who wish to become chartered accountants, the study of AAT qualifications may also offer exemptions from the exams required by a range of chartered accountancy bodies.

For up to date information on these exemptions, visit The AAT Website

[AQ2016 - Working with employers in development and delivery](#)

AAT qualifications are recognised and valued by employers as vocational and technical qualifications that prepare students for the world of work and for working specifically in accountancy and finance roles.

1. Employer involvement in development and assessment

AAT has worked closely with employers in the development of this qualification to ensure that the qualification demands the skills an employer would expect of a student at this level.

Employers are also contributing to the development of the live materials used to assess students on completion of their study. Employer's involvement in assessment of this qualification includes the review and edit of the synoptic assessments and scenarios used to ensure they reflect realistic working practices and environments.

A list of employers who have contributed to, or otherwise supported, the development of this qualification is published on "the AAT website".

2. Working with employers to deliver the qualification

AAT qualifications are practical and technical qualifications, which have been developed with the involvement and support of employers. Teaching and learning should reflect this practical focus, and students must be encouraged to relate their learning to current issues and activities within the sector. Providers delivering the AAT Foundation Certificate in Accounting to 16-19-year-old students must show that they provide opportunities for meaningful employer involvement. Students must have significant contact with employers in the accounting sector and/or in an accounting department of an organisation during their course of study. Employer involvement enhances the student's experience by allowing them to apply their knowledge to real workplace situations and builds bridges between the worlds of study and work.

'Meaningful employer involvement' may include:

- Students participating in structured work experience or placements that enable them to develop their accounting skills and knowledge
- Students working on projects, exercises or assessments set or supervised by those working in the

industry, for example employers developing case studies or assignments

- Areas of qualification content delivered via master classes, or guest lectures by industry practitioner(s).

The following, while valuable activities for students, are not considered to be ‘meaningful employer involvement’:

- Visiting employers (or employers providing premises, facilities or equipment)
- Attending talks by employers on employability, general careers advice, CV writing, interview training
- Attending careers fairs, events or other networking opportunities
- Learning in simulated or centre-based working environments
- Employers providing job references for students.

It is a requirement of centre approval for this qualification when offered to 16-19 year olds that centres offer students opportunities to work with employers. AAT reserves the right to inspect training provider evidence that these opportunities are being offered. An action plan may be imposed if this evidence cannot be supplied.

[AQ2016 - Support for this qualification](#)

1. AAT qualification support

AAT will make available throughout the life of this qualification a range of free materials and resources to support tutors and students in delivery and assessment. Materials produced for this qualification may include:

- Specification
- Sample assessment materials
- E-learning
- Green Light tests
- Webinars

- Tutor-to-tutor sessions at network meetings.

For the most up to date information on support resources, check the AAT website.

2. Published materials

AAT works closely with commercial publishers to encourage the publication of different support materials for our training providers and students.

While AAT will ensure that commercial publishers have any qualification information they need to produce materials, we do not formally endorse the materials of any one publisher and we do not review publisher materials for accuracy.

As a service to training providers and students, details of commercially published materials will be listed on the AAT website.

[AQ2016 - The assessment in detail](#)

1. How will students be assessed?

Students must successfully complete four unit assessments and one synoptic assessment to achieve this qualification. The proportion of this qualification assessed by external assessment is 100%.

- Bookkeeping Transactions - Unit assessment
- Bookkeeping Controls -Unit assessment
- Elements of Costing - Unit assessment
- Using Computer Software - Unit assessment
- Work Effectively in Finance - Synoptic assessment

All assessments in this qualification:

- Are set and marked by AAT (with the exception of RPL, which is marked by the training provider)
- Are computer based
- are time limited
- Are scheduled by training providers or assessment venues
- Take place at approved centres and venues in controlled conditions.

To achieve the qualification and to be awarded a grade, a student must pass all the mandatory assessments and the synoptic assessment.

Unit and synoptic assessments are not awarded grades individually, but the marks achieved in all assessments contribute to the student's overall grade for the qualification.

2. Availability of assessments

Unit assessments are available for scheduling on-demand throughout the year, except during periods set and communicated by AAT.

The synoptic assessment for the AAT Foundation Certificate in Accounting is available on-demand, apart from during periods set and communicated by AAT.

It is recommended that students complete all other assessments before attempting the synoptic assessment. There are restrictions in place to prevent premature scheduling of the synoptic assessment.

3. Controlled conditions

AAT has published detailed regulations for training providers regarding the conduct of computer based assessments. These are available on the AAT website.

Training providers must ensure that they comply with the minimum requirements for the hardware and software used in the delivery of AAT assessments, and ensure that all assessments are delivered securely.

Each training provider and assessment venue must have at least one Computer Based

Assessment (CBA) administrator and at least one invigilator. Training providers and assessment venues must ensure that all assessments are invigilated and conducted in accordance with AAT policies and procedures. To avoid any possible conflict of interest, the CBA administrator and invigilator for an assessment must not be

active AAT student members or related to any student taking that assessment. Tutors who have prepared students for the assessment cannot act as the sole invigilator.

AAT requirements and regulations for the conduct of assessments are detailed in the Supervisors Instructions for AAT computer based assessments guidance document, available on the AAT website.

4. Sitting the assessment

The assessments in this qualification are computer based, with a time restriction.

Students will be presented with a range of question types and formats in the assessment. These may include multiple-choice questions, numeric gap-fill questions, or question tools that replicate workplace activities, such as making entries in a journal. In some assessments, questions will require a written answer, and this is particularly so in the synoptic assessments. While tasks do not have to be completed in a specific order, students are encouraged to proceed through them in the order presented.

Students should familiarise themselves with the CBA environment, and some of the question styles they might encounter in the exam, by using the sample materials provided by AAT. Registered students may access these via the Study Support section of the AAT website.

5. Marking

All assessments are marked by AAT, with the exception of RPL. Assessments may be:

- Wholly computer marked
- Partially computer marked and partially human marked
- Wholly human marked.

Computer marking is completed within the assessment software in accordance with an objective marking scheme devised during assessment development. Human marking is conducted by a team of markers, with appropriate subject matter knowledge, appointed

by AAT. Markers use mark schemes devised during assessment development.

Assessments undergo regular quality assurance, which includes:

- Standardisation of markers
- Sampling for consistency
- Review of borderline scripts.

6. Results

For computer marked assessments, provisional results will be available straight after the assessment. Final results will be confirmed within 10 working days. Results for assessments that are wholly or partially human marked are delivered within the timescales advertised on the AAT website.

Students will be advised on what percentage of the marks available they achieved in their assessments, which will then be used to calculate their grade for the qualification (pass, merit or distinction).

AAT provides a feedback service that provides a simple summary of students' performance in each assessment. The feedback statement confirms their overall result and includes a breakdown of performance by task. Feedback statements are automatically generated and are designed to help students identify their strengths and any topic areas requiring further study. The student is presented with a short descriptor against each task to describe their performance against the topics assessed in that task. There are five feedback descriptors. Each descriptor provides an indication of how the student has performed in that task, and includes generic advice on how to proceed with their studies or continued professional development (CPD).

7. Re-sits

The AAT Foundation Certificate in Accounting is subject to re-sit restrictions.

Students should only be entered for an assessment when they are well prepared and they are expected to pass the assessment.

Where a student is unsuccessful in an assessment attempt, they should discuss their results with their tutor and revise appropriately before retaking the assessment.

Some AAT qualifications have restrictions in place for how many times students are able to re-sit assessments. Where re-sit restrictions apply, students may only attempt each assessment twice within 12 months of their qualification start date. Students who take an assessment twice in the 12 month period will have to wait until the following period before they can take it again. In their next 12 months, they may attempt the assessment twice more if needed. This applies to both unit assessments and synoptic assessments.

8. Enquiry and appeals

If the student thinks their assessment outcome does not reflect their performance, they can submit an enquiry on the AAT website. AAT's results enquiry service includes a check of all procedures leading to the issue of the outcome. This service checks that all parts of the assessment were marked; that the marks were totaled correctly; and that the marks were recorded correctly. It also includes a review of the original marking to check that the agreed mark scheme was applied correctly.

Enquiries can be made by a training provider on behalf of an individual student or group of students.

If the student is not satisfied with the response to their enquiry, they can submit an appeal.

There is an administrative fee for enquiries and appeals. AAT will not charge a fee if the enquiry leads to a change in mark awarded for the assessment.

AQ2016 - Grading

To achieve the qualification and to be awarded a grade, a student must pass all the mandatory assessments and the synoptic assessment.

A student achieving the AAT Foundation Certificate in Accounting will be awarded a grade based on performance across the qualification. Unit assessments and synoptic assessments are not individually graded. These assessments are given a mark that is used in calculating the overall grade.

1. How overall grade is determined

Students will be awarded an overall qualification grade (Distinction, Merit, and Pass). Students who do not achieve the qualification will not receive a qualification certificate, and will be shown as unclassified; this is indicated below for illustrative purposes only.

The raw marks of each assessment will be converted into a percentage mark and rounded up or down to the nearest whole number. For example, 75.5% would be rounded up to 76%, 82.1% would be rounded down to 82%). This percentage mark is then weighted according to the weighting of the unit assessment or synoptic assessment within the qualification. The resulting weighted assessment percentages are combined to arrive at a percentage mark for the whole qualification.

Grade definition

Percentage threshold

Distinction

90-100%

Merit

80-89%

Pass

70-79%

Unclassified

0-69%

Or failure to pass one or more assessment/s

Example of Pass

Assessment	Contribution Of assessment to qualification grade	Percentage achieved (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Bookkeeping Transactions	22%	70%	15.4%
Bookkeeping Controls	16%	75%	12.0%
Elements of Costing	16%	71%*	11.4%
Using Accounting Software	16%	78%	12.5%
Synoptic Assessment	30%	79%	23.7%
Total			75%

*has been rounded to nearest whole number

Example of Merit

Assessment	Contribution of assessment to qualification grade	Percentage achieved (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Bookkeeping Transactions	22%	86%*	18.9%
Bookkeeping Controls	16%	75%	12.0%
Elements of Costing	16%	86%*	13.8%
Using Accounting Software	16%	78%	12.5%
Synoptic Assessment	30%	79%	23.7%
Total			80.9%

*has been rounded to nearest whole number

Example of Distinction

Assessment	Contribution of assessment to qualification grade	Percentage achieved (mark attained divided by marks available)	Weighted percentage contribution to grade (weighting multiplied by % achieved)
Bookkeeping Transactions	22%	83%*	18.3%
Bookkeeping Controls	16%	92%*	14.7%
Elements of Costing	16%	93%*	14.9%
Using Accounting Software	16%	90%	14.4%
Synoptic Assessment	30%	98%	29.4%
Total			91.7%

* has been rounded to nearest whole number

2. Can students improve their grades?

Any student wishing to improve their grade can do so by re-sitting their assessment(s). Re-sits to improve grade will be subject to the same restrictions as re-sits to pass an assessment.

Only a student's highest result will count towards their grade. If a student re-sits, but in doing so achieves an assessment result that would lower their overall grade, their previous higher result will remain valid and will be used to determine their overall grade for the qualification.

It is important to recognise that students achieving a 'Pass' are already demonstrating a high level of competence, as AAT maintains a pass mark of 70% across all assessments.

4. Grading descriptors

Pass	Merit	Distinction
<p>Demonstrates sound knowledge of the purpose, roles and responsibilities of a finance function.</p>	<p>Demonstrates detailed knowledge of the purpose, roles and responsibilities of a finance function.</p> <p>Considers the impact of the individual, and of a finance team, on business operations</p>	<p>Demonstrates detailed knowledge of the purpose, roles and responsibilities of a finance function.</p> <p>Considers in detail the impact of individuals, and of a finance team, on business operations</p>
<p>Processes a range of accounting transactions, both manually and using accounting software.</p> <p>Extracts relevant costing information and outlines how this information can be used to compare performance against budget.</p>	<p>Processes a range of accounting transactions, both manually and using accounting software, with a high level of accuracy.</p> <p>Extracts and combines relevant costing information and explains how this information can be used to compare performance against budget.</p>	<p>Processes a wide range of accounting transactions, both manually and using accounting software, with a high level of accuracy.</p> <p>Extracts and combines relevant costing information and explains in detail how this can be used to compare performance against budget</p>
<p>Prepares and reconciles ledgers and accounts, making necessary adjustments.</p>	<p>Prepares and reconciles ledgers and a range of accounts, making necessary adjustments with a high level of accuracy.</p>	<p>Prepares and reconciles ledgers and a wide range of accounts, making necessary adjustments with a high level of accuracy</p>
<p>Performs a range of calculations for financial and management accounting purposes.</p>	<p>Performs a range of calculations for financial and management accounting purposes with a high level of accuracy.</p>	<p>Performs a wide range of calculations for financial and management accounting purposes, with a high level of accuracy, interpreting findings where relevant</p>
<p>Produces accurate information in written and/or numerical form that has a structure and uses appropriate business language.</p>	<p>Produces accurate information in written and/or numerical form that is well-structured and uses appropriate and effective business language</p>	<p>Produces accurate information in written and/or numerical form that is well-structured, uses appropriate and effective business language, and considers the needs of the recipient</p>

[AQ2016 - Units](#)

All units in the AAT Foundation Certificate in Accounting follow a standard format. The unit specification gives guidance on the requirements of the unit for students, tutors, assessors and those responsible for monitoring national standards. Each unit has the following sections.

Unit title

This qualification, and its component units, is regulated for the National Qualifications Framework (NQF). The unit title shown is the regulated title of the unit. The unit title will appear on the student's qualification certificate exactly as it appears in this specification.

Unit level

All regulated units and qualifications are assigned a level. On the NQF, there are nine levels of achievement, from Entry Level to Level 8.

GLH value

Guided learning hours (GLH) are defined as all the times when a tutor, trainer or facilitator is present to give specific guidance. This definition includes lectures, tutorials and supervised study. It also includes time spent by staff assessing student achievements. It does not include time spent by staff marking assignments or homework where the student is not present.

Assessment

Units may be assessed by:

- Unit assessment only
- Unit assessment, and as part of the synoptic assessment
- Synoptic assessment only.

Introduction

The unit introduction gives the reader an appreciation of the unit in the context of the vocational setting of the qualification, as well as highlighting the focus of the unit. It gives the reader a snapshot of the unit and the key knowledge, skills and understanding gained while studying the unit. The unit introduction highlights any links to other AAT

units and shows how the unit relates to them. It also specifies whether the unit is mandatory or optional in the qualification structure.

Learning outcomes

The learning outcomes of a unit set out what a student is expected to know or be able to do as the result of their learning.

Scope of content

The scope of content identifies the breadth of knowledge, skills and understanding needed to achieve each of the learning outcomes. The content provides the range of subject material for the programme of learning and specifies the skills, knowledge and understanding required for achievement of the unit.

Content structure

1. Each learning outcome is stated in full.
2. Assessment criteria specify the standard a student is expected to meet to demonstrate that the learning outcome has been achieved. These may be shown as ‘students must know’ for a knowledge criteria, or ‘students must be able to’ for a skills criteria. Some learning outcomes may include both knowledge and skills elements.
3. Each assessment criteria is then expanded into *key concepts* related to that learning outcome.
4. Each concept is then further expanded into *indicative content* where applicable.

Relationship between content and assessment

Students must have the opportunity to cover all of the unit content. It is not a requirement of the unit specification that all of the content is assessed. However, the indicative content will need to be covered in a programme of learning in order for students to be able to meet the standard determined in the assessment criteria.

Delivering this unit

This section explains the unit content’s relationship to content in other AAT units, and offers guidance on suggested order of delivery.

Links to standards

This section lists any relevant National Occupational Standards or Apprenticeship Standards that apply to the unit.

Test specification for unit assessment

The test specification for the unit assessment gives details about the assessment method, marking type and duration of the exam. The contribution that each learning outcome makes to the overall mark for the unit assessment is also provided.

Where a unit is not assessed by a separate unit assessment and is only assessed in the synoptic assessment, there will be no unit test specification included in the unit.

Bookkeeping Transactions

Unit level	GLH value	Assessment
2	60	Unit and synoptic assessment

Introduction

This unit introduces students to the double-entry bookkeeping system, and associated documents and processes. Students will reach the stage of extracting an initial trial balance, before any adjustments are made. This unit provides students with the skills necessary to operate a manual double-entry bookkeeping system, and provides a strong foundation for progression to more advanced manual and computerised activities.

On completion of this unit, students will be able to check the accuracy of invoices, credit notes, remittance advices, statements of account and petty cash vouchers. They will know how to use these documents to make entries in sales and purchases daybooks, sales and purchases returns daybooks and discounts allowed and received daybooks using account codes, and how to transfer those totals to the sales, purchases and general ledgers.

The cash book and petty cash book are also covered in this unit - making entries into both and transferring totals to the ledgers. Students will make appropriate checks on supplier invoices and credit notes, reconcile supplier statements with the purchases ledger account and calculate payments due to suppliers. They will also calculate sales invoice and credit note amounts and check receipts from customers.

Bookkeeping Transactions is a mandatory unit in this qualification.

Learning outcomes

1. Understand financial transactions within a bookkeeping system
2. Process customer transactions
3. Process supplier transactions
4. Process receipts and payments
5. Process transactions through the ledgers to the trial balance

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit.

All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

L01: Understand financial transactions within a bookkeeping system

1.1 Indicate the purpose of business documents

Students need to know:

- The purpose of business documents: petty cash voucher, invoice, credit note (including for prompt payment discounts, remittance advice, statement of account).

1.2 Distinguish between prompt payment, trade and bulk discount

Students need to know:

- The difference between discounts offered: prompt payment, trade and bulk
- How discounts are shown on invoices: prompt payment, trade and bulk
- How prompt payment discounts are recorded: credit note, discounts allowed or discounts received daybook, sales or purchases ledger, discounts allowed or received account, sales or purchases ledger control account and VAT (value added tax) account in the general ledger.

1.3 Demonstrate an understanding of coding system

Students need to know:

- The different types of code: customer account, supplier account, product
- Where to use codes: sales, sales returns and discounts allowed daybooks and purchases, purchase returns and discounts received daybooks, sales and purchases ledgers
- How to create codes: alphabetical, numerical, and alphanumerical.

1.4 Demonstrate an understanding of the process of recording financial transactions

Students need to know:

- The role of the books of prime entry: sales and sales returns daybooks, purchases and purchases returns daybooks, discounts allowed and discounts received daybooks
- The role of the cash book and petty cash book: as a book of prime entry only, as a book of prime entry and as part of the double-entry bookkeeping system
- The ledgers: sales, purchases and general
- The accounting equation: calculation of assets, liabilities and capital, dual effect of transactions
- The classification of items: assets and liabilities
- The classification of income and expenditure: capital income, capital expenditure, revenue income, revenue expenditure
- The purpose of the trial balance.

LO2: Process customer transactions

2.1 Calculate invoice and credit note amounts

Students need to know:

- The documents to be used: quotations, discount policy, customer order, delivery note, price list

Students need to be able to:

- Calculate invoice amounts: item price, net, value added tax (VAT) and total amounts, trade and bulk discounts
- Calculate credit note amounts: item price, net, value added tax (VAT) and total amounts, trade, bulk and prompt payment discounts.

2.2 Enter sales invoices and credit notes into books of prime entry

Students need to know:

- The books of prime entry: sales, sales returns and discounts allowed daybooks
- The columns within books of prime entry: customer name, customer account code, total, VAT, net, analysis (including product codes).

Students need to be able to:

- Calculate VAT amounts from net and total figures
- Calculate total and net amounts from the VAT figure
- Make entries in books of prime entry
- Total columns in books of prime entry.

2.3 Check the accuracy of receipts from customers

Students need to know:

- The records and documents to use: sales ledger account, sales invoice, sales credit note, remittance advice, discount policy.

Students need to be able to:

- Identify discrepancies: under or over payment, incorrect discount taken, incorrect amounts
- Calculate amounts due from customers, including prompt payment discount.

L03: Process supplier transactions

3.1 Check the accuracy of supplier invoices and credit notes

Students need to know:

- The documents to use: quotations including discounts, purchase orders, goods received notes, delivery notes, goods returned notes.

Students need to be able to:

- Identify discrepancies that may be found: non-delivery of goods, incorrect type or quantity of goods, incorrect calculations, incorrect discounts (trade, bulk and prompt payment), date and terms of payment

3.2 Enter supplier invoices and credit notes into books of prime entry

Students need to know:

- The books of prime entry: purchases, purchases returns and discounts received daybooks
- The columns within books of prime entry: supplier name, supplier account code, total, VAT, net, analysis (including product code).

Students need to be able to:

- Calculate VAT amounts from net and total figures
- Calculate total and net amounts from the VAT figure
- Make entries in books of prime entry
- Total columns in books of prime entry.

3.3 Prepare payments to suppliers

Students need to know:

- The records and documents to use: purchases ledger account, invoices and credit notes (including discounts and VAT), statement of account
- The information to take into account: agreed payment terms.

Students need to be able to:

- Identify discrepancies between the supplier's statement of account and the purchases ledger account: timing differences, wrong amounts, missing transactions, duplicated transactions
- Calculate payments due to suppliers, including prompt payment discount.

L04: Process receipts and payments

4.1 Enter receipts and payments into a two column analysed cash book

Students need to know:

- The format of the cash book: date, details, cash, bank, analysis columns (including VAT)
- The documents to use: direct debit/standing order schedule, remittance advice (including BACS), paying in slip, cheque stub, cash receipt, receipts and payments listing.

Students need to be able to:

- Calculate VAT amounts from net and total figures
- Make entries in the cash book.

4.2 Enter receipts and payments into an analysed petty cash book

Students need to know:

- The format of the petty cash book: date, details, amount, analysis columns (including VAT)
- The documents to use: cash receipt, petty cash voucher.

Students need to be able to:

- Calculate VAT amounts from net and total figures

- Make entries in the petty cash book, including reimbursement, using the imprest and non-imprest systems.

4.3 Total and balance the cash book and petty cash book

Students need to be able to:

- Present totals and balances: column totals, balance carried down, balance brought down, debit balance, credit balance, date and details.

LO5: Process transactions through the ledgers to the trial balance

5.1 Transfer data from books of prime entry to the ledgers

Students need to know:

- The books of prime entry: sales and sales returns daybooks, purchases and ~~daybooks, cash book, petty, and book~~ allowed and discounts received
- The ledgers: sales, purchases, general
- That the sales and purchases ledger control accounts are part of the double-entry system.

Students need to be able to:

- Transfer data from books of prime entry to the relevant accounts in the ledgers.

5.2 Total and balance ledger accounts

Students need to be able:

- Total and balance ledger accounts: balance carried down, balance brought down, debit balance, credit balance.

5.3 Extract an initial trial balance

Students need to know:

- To use the general ledger to extract balances
- The column to use in the trial balance: debit, credit.

Students need to be able to:

- Transfer balances to the initial trial balance
- Total and balance the initial trial balance.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-1 Process income
- FA-2 Process expenditure
- FA-3 Account for income and expenditure.

Test specification for Bookkeeping Transactions unit assessment

Assessment method	Marking Type	Duration of exam
Computer based assessment	Computer marked	2 hours

Learning outcomes	Weighting
1. Understand financial transactions within a bookkeeping system	10%
2. Process customer transactions	10%
3. Process supplier transactions	15%
4. Process receipts and payments	25%
5. Process transactions through the ledgers to the trial balance	40%
Total	100%

Delivering this unit

This unit has the following links across the AAT Foundation Certificate in Accounting.

Unit name	Content links	Suggested order of delivery
Bookkeeping Controls	Bookkeeping Transactions is the first of two bookkeeping units at Level 2. With Bookkeeping Controls, it is the foundation for financial accounting at Level 3.	It is recommended that Bookkeeping Transactions is delivered either before, or at the same time as Bookkeeping Controls.
Elements of Costing	The use of codes in this unit links with Elements of Costing.	Elements of Costing might be delivered before, at the same time, or after Bookkeeping Controls.

Using Accounting Software Bookkeeping Transactions gives students underlying knowledge that may support their study of Using Accounting Software.

It is recommended that Bookkeeping Transactions is delivered either before, or at the same time as Using Accounting Software.

Bookkeeping Controls

Unit level	GLH value	Assessment
2	45	Unit and synoptic assessment

Introduction

This unit is about control accounts, journals and methods of payment. It takes students through reconciliation processes and the use of the journal to the stage of re-drafting the trial balance, following initial adjustments.

This unit covers more complex Level 2 bookkeeping procedures, which will enable students to develop their understanding of the relationship between the various accounting records, and consolidate their knowledge of double-entry bookkeeping. Students will gain the confidence they need to perform well in the workplace and the unit will prepare them for greater responsibility.

Students will develop the ability to prepare the value added tax (VAT) control account as well as the sales and purchases ledger control accounts, including reconciliation with the sales and purchases ledgers. They will use the journal to record a variety of transactions, including the correction of errors. Students will be able to redraft the initial trial balance, following adjustments, and be able to identify different methods of payment and their use. They will learn to update the cash book following receipt of a bank statement, and also how to prepare a bank reconciliation statement.

This unit builds on the knowledge and skills acquired from studying Bookkeeping Transactions. Studying Bookkeeping Controls and consolidating the double-entry bookkeeping skills gained in Bookkeeping Transactions will also provide an important foundation for the financial accounting units at Level 3 - Advanced Bookkeeping and Final Accounts Preparation.

Bookkeeping Controls is a mandatory unit in this qualification.

Learning outcomes

1. Understand payment methods
 2. Understand controls in a bookkeeping system
 3. Use control accounts
 4. Use the journal
 5. Reconcile a bank statement with the cash book
-

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit.

All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

LO1: Understand payment methods

1.1 Identify the appropriate use of different payment methods

Students need to know:

- Different payment methods: cash, cheque, debit card, credit card, bank draft, standing order, direct debit, BACS (Bankers' Automated Clearing Services) direct credit, CHAPS (Clearing House Automated Payment System), Faster Payments.

1.2 Identify the effect of different payment methods on the bank balance

Students need to know:

- That different payment methods affect the bank balance in different ways: reduce funds on the date of payment, reduce funds at a later date, no effect.

LO2: Understand controls in a bookkeeping system

2.1 Identify the purpose of control accounts

Students need to know:

- The purpose of the sales and purchases ledger control accounts (part of the double-entry bookkeeping system)
- The purpose of the VAT control account.

2.2 Identify the purpose of reconciliation

Students need to know:

- Reasons for reconciling the sales and purchases ledger control accounts
- Reasons for reconciling the bank statement with the cash book.

2.3 Identify the purpose of the journal

Students need to know:

- The purpose of the journal as a book of prime entry
- Transactions that are recorded in the journal: opening entries for a new business, irrecoverable debts written off, payroll transactions
- Errors that are corrected through the journal and the effect on the trial balance: disclosed and not disclosed.
- Names of errors not disclosed by trial balance: error of commission, error of omission, error of original entry, error of principle, reversal of entries, compensating errors.

LO3: Use control accounts

3.1 Produce control accounts

Students need to be able to:

- Prepare control accounts: sales ledger, purchases ledger, VAT
- Total and balance control accounts: balance carried down, balance brought down.

3.2 Reconcile control accounts

Students need to be able to:

- Total the balances of the individual sales and purchases ledger accounts: sales ledger debit/credit balances, purchases ledger debit/credit balances
- Identify discrepancies between the sales and purchases ledger control accounts and the individual ledgers
- Identify reasons for discrepancies between the sales and purchases ledger control accounts and the individual ledgers.

LO4: Use the journal

4.1 Produce journal entries to record accounting transactions

Students need to be able to:

- Record opening entries for a new business
- Identify and record entries to write off irrecoverable debts: record VAT where appropriate, calculate VAT from gross and net amounts
- Identify and record entries for payroll transactions: wages control account, gross pay, income tax, employer's and employees' national insurance contributions (NIC), employers' and employees' pension and voluntary deductions.

4.2 Produce journal entries to correct errors not disclosed by the trial balance

Students need to be able to:

- Correct errors using the journal: errors of commission, errors of omission, errors of original entry, errors of principle, reversal of entries, compensating errors.

4.3 Produce journal entries to correct errors disclosed by the trial balance

Students need to be able to:

- Open a suspense account
- Correct errors and clear the suspense account using the journal.

4.4 Use journal entries to make adjustments in the ledger accounts

Students need to be able to:

- Post journal entries to the general ledger accounts
- Total and balance the general ledger accounts: balance carried down, balance brought down.

4.5 Redraft the trial balance following adjustments

Students need to be able to:

- Recalculate the balance of a general ledger account following journal entries
- Complete a trial balance from adjusted and unadjusted balances
- Balance the adjusted trial balance: total debit and credit columns.

LO5: Reconcile a bank statement with the cash book

5.1 Locate differences between items on the bank statement and entries in the cash book

Students need to be able to:

- Recognise items on the bank statement but not in the cash book and recognise items in the cash book but not on the bank statement: opening balance differences, bank interest paid/received, bank charges, automated payments/receipts, unpresented cheques and outstanding lodgements.

5.2 Use the bank statement to update the cash book

Students need to be able to:

- Make appropriate entries from the bank statement into the cash book: bank interest paid/received, bank charges and automated payments/receipts
- Total and balance the cash book: credit/debit balance carried down, credit/debit balance brought down.

5.3 Produce a bank reconciliation statement

Students need to be able to:

- Use appropriate items to complete a bank reconciliation statement: closing bank statement credit balance, unpresented cheques, outstanding lodgements
- Check a bank statement has been correctly reconciled with a (debit) closing cash book balance.

Delivering this unit

This unit has the following links across the AAT Foundation Certificate in Accounting.

Unit name	Content links	Suggested order of delivery
Bookkeeping Transactions	This unit builds on the knowledge and skills acquired from studying Bookkeeping Transactions, in particular double-entry bookkeeping techniques and reconciliation processes.	It is recommended that Bookkeeping Controls is delivered either after, or at the same time as Bookkeeping Transactions.
Using Accounting Software	Prior completion of both Level 2 manual bookkeeping units will benefit students studying Using Accounting Software. The skills and knowledge gained will enable students to understand the business environment and facilitate their comprehension of a computerized accounting system	It is recommended that Bookkeeping Controls is delivered either before, or at the same time as Using Accounting Softwa

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- FA-3 Account for income and expenditure.

Test specification for Bookkeeping Controls unit assessment

Please refer to the latest Guidance Note on the AAT website for specific legislation/rates that apply to the current assessments.

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Computer marked	2 hours
Learning outcomes		Weighting
1. Understand payment methods		5%
2. Understand controls in a bookkeeping system		5%
3. Use control accounts		20%
4. Use the journal		50%
5. Reconcile a bank statement with the cash book		20%
Total		100%

Elements of Costing

Unit level	GLH value	Assessment
2	45	Unit and synoptic assessment

Introduction

The purpose of this unit is to give students a basic introduction to costing, building a sound foundation in the knowledge and skills they need for more complex costing and management accounting units such as Level 3 Management Accounting: Costing and later, Level 4 Management Accounting: Budgeting.

Students will understand the importance of the costing system as a source of information for internal management decision-making. In contrast to the more outward perspective of financial accounting, the skills developed in this unit will allow students to provide information to managers that can be used to assist in internal business planning, decision making and control.

A student successfully completing this unit will be an effective member of the costing function within the accounting team. Working with the management/financial accountant and with supervision, they can be expected to:

- Use the costing system to record and extract data and information for management purposes
- Extract, compare and provide information on actual performance against budget.

This unit covers the nature of cost and how it is used in a costing system. Students will understand the different classifications of cost and how they can be used for internal management decision making. As well as classifying costs, students will code transactions and build up a unit cost for a product or service, using a range of techniques to cost material, labour and overheads. Students will also engage with the budgetary control system by comparing actual costs with budgeted costs and they will determine variances, noting whether they are adverse or favourable.

Essential to the unit is cost behaviour. Students will understand how cost behaves at different levels of output, and how variable and fixed costs per unit behave as

output changes. The High-Low method, in its simplest format, is introduced to give students the underpinning knowledge and skill development for later units for management accounting at Levels 3 and 4, where marginal costing is used as an aid to management decision making.

Another important knowledge and skill that students will develop is to understand overhead as a component of cost and build a basic unit product cost using labour hours, machine hours and per unit as a basis. This will prepare students and give them the basic tools for studies in overhead apportionment, reapportionment and absorption at Level 3.

Elements of Costing is a mandatory unit in this qualification.

Learning outcomes

1. Understand the cost recording system within an organisation
 2. Use cost recording techniques
 3. Provide information on actual and budgeted costs and income
-

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit. All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

LO1: Understand the cost recording system within an organisation

1.1 Recognise how costs are collected and classified in different types of organisation

Students need to know:

- How costs are collected in different organisations
- What constitutes cost in different organisations and different types of organisation

- How elements of cost are classified: labour, material, overhead
- How costs are classified by nature: direct, indirect
- How costs are classified by behaviour: fixed, variable, semi-variable.

1.2 Recognise common costing techniques used in an organisation

Students need to know:

- How product cost is determined: material, labour and overhead
- Inventory valuation methods: first-in-first-out (FIFO), last-in-first-out (LIFO), weighted average cost (AVCO)
- Labour costing methods: time-rate, overtime, piecework, bonus payments
- Overhead absorption methods: per unit, labour hours, machine hours.

1.3 Identify the relationship between the costing and financial accounting systems within an organisation

Students need to know:

- Costing and financial accounting systems within an organisation
- How each system uses cost: costing using many classifications of cost, financial accounting depending on historic cost.

1.4 Identify sources of information about income and expenditure

Students need to know:

- How historic cost is used for accounting and costing reporting
- How costing systems use actual or budgeted costs to determine unit/job cost
- How budgeted and actual costs are used for planning and control purposes.

1.5 Distinguish between cost, profit and investment centres

Students need to know:

- Differences between cost centre, profit centre and investment centres
- Use of different centres in different organisations.

1.6 Identify how materials, labour and overheads are classified and recorded

Students need to know:

- How costs are classified: element, nature, behaviour, function
- How costs are coded using numeric, alphabetic and alphanumeric coding systems

- The components and construction of a manufacturing account.

LO2: Use cost recording techniques

2.1 Calculate cost of inventory issues and inventory valuations

Students need to be able to:

- Cost issue of inventory for management accounting purposes using FIFO, LIFO and AVCO
- Calculate closing values of inventory using FIFO, LIFO and AVCO (rounding figures as necessary).

2.2 Calculate labour payments

Students need to be able to:

- Calculate labour payments: time-rate and overtime, piecework, bonuses.

2.3 Calculate overhead absorption rates

Students need to be able to:

- Calculate simple overhead absorption rates: per unit, labour hours, machine hours (rounding figures as necessary) to show differing methods to arrive at unit cost.

2.4 Use cost behaviour to calculate total and unit costs

Students need to be able to:

- Calculate total and unit costs at different levels of output
- Apply simple High-Low method to arrive at output costs at differing levels of output.

2.5 Calculate the direct cost of a product

Students need to know:

- How direct cost is a component of product cost.

Students need to be able to:

- Calculate direct cost of a product in a manufacturing organisation taking into account the flow of inventory in the production process, what constitutes direct cost, manufacturing cost, cost of goods manufactured and cost of goods sold.

LO3: Provide information on actual and budgeted costs and income

3.1 Compare actual and budgeted costs and income

Students need to be able to:

- Calculate differences between actual and budgeted costs and income
- Identify whether variance is adverse or favourable for costs and income.

3.2 Apply exception reporting to identify significant variances

Students need to be able to:

- Calculate variances as a percentage of budget
- Identify significant variances according to an organisation's policy
- Report significant variances to a relevant manager.

Delivering this unit

This unit has the following links across the AAT Foundation Certificate in Accounting.

Unit name	Content links	Suggested order of delivery
Bookkeeping	The use of codes in this unit links with	Bookkeeping Transactions might
Transactions	Bookkeeping Transactions.	be delivered before, at the same time, or after Elements of Costing.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- MA-1 Provide cost and revenue information.

Test specification for Elements of Costing unit assessment

Please refer to the latest Guidance Note on the AAT website for specific legislation/rates that apply to the current assessments.

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Computer marked	90 minutes

Learning outcomes**Weighting**

Understand the cost recording system within an 1. organisation	20%
Use cost recording 2. techniques	60%
3. Provide information on actual and budgeted costs and income	20%
Total	100%

Using Accounting Software

Unit level	GLH value	Assessment
2	45	Unit assessment only

Introduction

This unit provides students with the knowledge and skills needed to carry out typical bookkeeping transactions and tasks using accounting software. In the modern business environment, processing data and information into accounting software is a necessary task in most finance roles. This unit teaches students the practical steps for processing accounting information electronically and will allow students to reinforce their understanding of the sequence in which bookkeeping tasks are carried out.

On completion of this unit, students will have the practical ability to enter accounting transactions into accounting software and to perform bank reconciliations accurately. Students will be able to enter information into

accounting software and understand the main features of accounting software. They will learn how to set up general ledger accounts for new and existing businesses and process the typical bookkeeping entries expected of students at this level, including the processing of sales and purchase documentation, recording bank and cash entries and carrying out bank reconciliations accurately. Students will also learn how to produce reports using the software, and understand the purpose of these reports.

Students must have access to a suitable specialised accounting software package, as part of their study for this unit and for the assessment. Spreadsheet software will not allow full unit content coverage, so cannot be used for study or assessment of this unit. Using Accounting Software is a mandatory unit in this qualification.

Learning outcomes

1. Set up accounting software
2. Process sales and purchases transactions
3. Process bank and cash transactions
4. Perform period end routine tasks
5. Produce reports

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit.

All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

L01: Set up accounting software

1.1 Enter information relating to the organisation at the beginning of an accounting period

Students need to be able to:

- Set up and amend general ledger accounts
- Enter the relevant opening balance information.

1.2 Set up customer accounts

Students need to be able to:

- Create customer accounts
- Enter the relevant opening balance information.

1.3 Set up supplier accounts

Students need to be able to:

- Create supplier accounts
- Enter the relevant opening balance information.

LO2: Process sales and purchases transactions

2.1 Process sales invoices and credit notes

Students need to be able to:

- Process sales invoices from source documents ensuring VAT (where applicable) is posted to the correct account
- Process credit notes from source documents ensuring VAT (where applicable) is posted to the correct account.

2.2 Allocate receipts from customers

Students need to be able to:

- Process receipts from customers and allocate amounts correctly: in full payment, in part payment, against the opening balance, invoices and credit notes.

2.3 Process purchase invoices and credit notes

Students need to be able to:

- Process purchase invoices from source documents ensuring VAT (where applicable) is posted to the correct account
- Process credit notes from source documents ensuring VAT (where applicable) is posted to the correct account.

2.4 Allocate payments to suppliers

Students need to be able to:

- Process payments to suppliers and allocate amounts correctly: in full payment, in part payment, against the opening balance, invoices and credit notes.

LO3: Process bank and cash transactions

3.1 Process receipts and payments for non-credit transactions

Students need to be able to:

- Process bank and cash receipts ensuring VAT (where applicable) is posted to the correct account

- Process bank and cash payments ensuring VAT (where applicable) is posted to the correct account.

3.2 Process recurring receipts and payments

Students need to be able to:

- Set up and process a recurring bank receipt
- Set up and process a recurring bank payment.

3.3 Process petty cash receipts and payments

Students need to know:

- How to top up petty cash.

Students need to be able to:

- Process petty cash payments ensuring VAT (where applicable) is posted to the correct account
- Process petty cash receipts ensuring VAT (where applicable) is posted to the correct account.

L04: Perform period end routine tasks

4.1 Process journals

Students need to be able to:

- Process journals: correction of errors and irrecoverable debts

4.2 Reconcile the bank statement

Students need to know:

- How to agree the payments and receipts for the period from the bank statement to the bank entries made on accounting software.

Students need to be able to:

- Process unrecorded payments and receipts
- Reconcile the bank balance at the end of an accounting period.

L05: Produce Reports

5.1 Produce routine reports for customers and suppliers.

Students need to know:

- How to identify the customer or supplier report required.

Students need to be able to:

- Produce reports that meet business requirements.

5.2 Produce routine reports from the general ledger

Students need to be able to:

- Produce a trial balance and audit trail
- Identify additional general ledger reports required
- Produce reports that meet business requirements.

Delivering this unit

This unit has the following links across the AAT Foundation Certificate in Accounting.

Unit name	Content links	Suggested order of delivery
Bookkeeping Transactions	Manual bookkeeping skills are useful underpinning knowledge for Using Accounting Software.	It is recommended that Bookkeeping Transactions is delivered either before, or at the same time as this unit.
Bookkeeping Controls	Control account reconciliations and basic journal adjustments offer useful underpinning knowledge for Using Accounting Software.	It is recommended that Bookkeeping Controls is delivered either before, or at the same time as this unit

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- PS-1 Work effectively in accounts and finance
- FA-1 Process income
- FA-2 Process expenditure.

Test specification for Using Accounting Software unit assessment

Please refer to the latest Guidance Note on the AAT website for specific legislation/rates that apply to the current assessments.

Assessment type	Marking type	Duration of exam
Computer based unit assessment	Human marked	2 hours for assessment, plus up to 1 hour to allow for software/hardware/upload issues

Learning outcomes

Weighting

Set up accounting 1. software	25%
2. Process sales and purchases transactions	35%
3. Process bank and cash transactions	20%
4. Perform period end routine tasks	15%
5. Produce reports	5%
Total	100%

Work Effectively in Finance

Unit level	GLH value	Assessment
2	45	Synoptic assessment only

Introduction

This unit will help students to develop the professional skills and behaviours needed in the workplace. While this unit is set in the context of the finance function, these skills are transferable to many other working environments.

Students will understand the work of the finance function and why that work is important to an organisation. They will understand the skills required of finance employees, including social skills, communication skills and essential numeracy skills. They will learn the importance of being an effective employee and working as part of a team. Students will be able to identify activities that develop current skills and knowledge, and those that will help them achieve future career aspirations. Students will understand how to ensure data security and the importance of maintaining confidentiality of information. Students will understand why corporate social responsibility is important and what actions individuals can take to ensure they behave ethically and they support sustainability.

Studying this unit helps to prepare students for Level 3 Ethics for Accountants. The general communication and numeracy skills included within this unit will be beneficial to those studying all AAT qualifications. The communication skills element of this unit will prepare students for further study by developing their reading, understanding and writing skills. The basic numerical functions covered in this unit are important in all financial computations and as such students who successfully complete this unit should have an increased confidence in dealing with financial computations. Work Effectively in Finance is a mandatory unit in this qualification.

Learning outcomes

1. Understand the finance function within an organisation
 2. Use personal skills development in finance
 3. Produce work effectively
 4. Understand corporate social responsibility (CSR) within organisations
-

Scope of content

This section illustrates the depth and breadth of content to be delivered for this unit.

All areas indicated in the table below must be covered in teaching.

In any one assessment, students may not be assessed on all content, or on the full depth or breadth of a piece of content. The content assessed may change over time to ensure validity of assessment, but all assessment criteria will be tested over time.

LO1: Understand the finance function within an organization

1.1 Identify the role of the finance function

Students need to know:

- The role of the finance function: responsibility for production of statutory financial statements, providing a service to departments within the organisation and others outside of organisation
- The difference between internal and external stakeholders.

1.2 Demonstrate an understanding of how finance staff contribute to an organisation's success

Students need to know:

- The importance of establishing good business relationships
- The principles of effective communication: content is written clearly, complete, accurate, timely, and concise and meets the needs of the recipient, and an appropriate medium is used in a suitable environment
- Actions of finance staff that support efficient working practices, solvency and long-term financial stability, legal and regulatory compliance

- The importance to an organisation's survival of remaining solvent and managing funds effectively
- The different types of policies and procedures affecting finance staff: finance function-specific and organisation wide.

1.3 Indicate the role of information in the work of the finance function

Students need to know:

- Types of information received from stakeholders: internal business documentation, purchase orders, remittance advice, bank statements
- Types of information provided by the finance function: information to help management decision making, budgetary information, cash information, taxation information
- The importance of providing useful information
- Characteristics of useful information: complete, accurate, timely and fit for purpose.

1.4 Identify the importance of data security

Students need to know:

- Why it is important to ensure the security of data and information
- The implications to the organisation if data and information is not secure
- How data and information is retained securely: using passwords, archiving, and backups and restricting access.

LO2: The personal skills required by finance staff

2.1 Identify the interpersonal skills required by finance staff

Students need to know:

- A range of interpersonal skills: respecting others, developing trust, being responsible, being reliable, communicating effectively
- How to use active listening skills
- How to use appropriate business language

- The importance of appropriate language, personal appearance and body language in different business situations to project a professional image
- How interpersonal skills help build good business relationships

2.2 Identify the features of an effective finance team

Students need to know:

- The characteristics of an effective team: good communication channels, shared values, a mix of complementary skills, clear leadership, common purpose and clearly defined roles and responsibilities
- The skills, competencies and behaviours required of individuals within a high-performing team: trust, shared goals and values, clear roles and responsibilities, effective communication, clear leadership, every member feels valued, a mix of complementary skills and diversity
- The actions a team member can take to support the success of the team: work independently but aware of the work of others, help others in the team wherever possible, responsible for completing work within targets and to standard, communicating effectively, contributing ideas, understanding role within the team, understanding individual and team objectives, commitment to achieving team and individual objectives.

2.3 Identify development needs

Students need to know:

- The importance of continuing professional development (CPD) to finance staff.

Students need to be able to:

- Review own performance and use feedback from others
- Identify development objectives and activities to address objectives.

LO3: Produce work effectively

3.1 Produce accurate work in appropriate formats

Students need to know:

- Standard business communications: business letters, emails, formal business reports, spreadsheets

- How standard business communications are usually structured and presented: business letters, emails, business reports, spreadsheets.

Students need to be able to:

- Choose the appropriate format to present business information
 - Produce accurate information, which is technically correct and free from spelling and grammatical errors and fractions.
- averages, Use subtraction, multiplication for business percentages, in proportions, ratios;
- ### 3.2 Communicate information effectively

Students need to be able to:

- Communicate using acceptable business language
- Produce written communication that is clear, structured and follows a logical progression
- Prepare notes to plan for verbal communications.

3.3 Plan workload to meet the needs of the organisation

Students need to know:

- The importance of communicating with others during the completion of tasks or when deadlines are in danger of not being met
- The importance of meeting agreed deadlines and adhering to working practices
- The impact on others of not completing specified tasks.

Students need to be able to:

- Work independently, and manage workload using time-management techniques and planning aids
- Plan, prioritise, monitor and review workload within deadlines.

LO4: Understand corporate social responsibility (CSR) within organisations

4.1 Demonstrate an understanding of corporate social responsibility (CSR)

Students need to know:

- What corporate social responsibility (CSR) is
- Why organisations need to take responsibility for their actions
- Organizational actions that support sustainability
- Good practice in organisations with a strong CSR commitment.

4.2 Identify how finance staff can support ethical business practices

Students need to be able to:

- Maintain confidentiality of information
- Behave professionally in finance: acting with honesty and fairness, ensuring up to date professional knowledge.

4.3 Establish the features and benefits of sustainable business practices

Students need to know:

- Areas of sustainability: economic, social, environmental
- The impact of sustainability activities on the organisation: costs, benefits
- The impact of sustainability activities outside the organisation: on stakeholders, on the environment, on society.

Delivering this unit

This unit has the following links across the AAT Foundation Certificate in Accounting.

Elements of this unit are found across the qualification and this unit may be delivered at any time throughout the course. It is recommended however that the synoptic assessment is only taken when all other units have been completed.

Unit name	Content links	Suggested order of delivery
Bookkeeping Transactions	Numerical skills, communication of information and professional behaviour may be linked with Bookkeeping Transactions.	Bookkeeping Transactions might be delivered before, at the same time, or after Work Effectively in Finance. It is recommended that the synoptic assessment is only attempted after the contributing units are completed, although this is not compulsory.
Bookkeeping Controls	Numerical skills, communication of information and professional behaviour may be linked with Bookkeeping Controls.	Bookkeeping Controls might be delivered before, at the same time, or after Work Effectively in Finance.

It is recommended that the synoptic assessment is only attempted after the contributing units are completed, although this is not compulsory.

Elements of Costing

Numerical skills may be linked with Elements of Costing

Elements of Costing might be delivered before, at the same time, or after Work Effectively in Finance.

It is recommended that the synoptic assessment is only attempted after the contributing units are completed, although this is not compulsory.

Business

Communication and professional behaviour may be linked with Business

Communications and

Personal Skills

Communications and Personal Skills.

It is recommended that Business Communications and Personal Skills is studied either before or alongside Work Effectively in Finance.

Links to standards

This unit links with the following National Occupational Standards (NOS) for Accountancy and Finance:

- PS-1 Work effectively in accountancy and finance
- PS-2 Professional ethics in accountancy and finance.

[AQ2016 - Synoptic Test Specification](#)

Please refer to the latest Guidance Note on the AAT website for specific legislation/rates that apply to the current assessments

Assessment	Marking type	Duration of exam
Computer based	Partially computer/	2 hours
synoptic assessment	partially human marked	

1. Assessment objectives

Assessment objective 1

- Demonstrate an understanding of the finance function and the roles and procedures carried out by members of an accounting team.

Work Effectively in Finance

Related learning outcomes:

- LO1 Understand the finance function within an organization
- LO2 Use personal skills development in finance.
- LO3 Produce work effectively

- L04 Understand corporate social responsibility
-

Assessment objective 2

- Process transactions, complete calculations and make journal entries
-

Bookkeeping Transactions

Related learning outcomes:

- L02 Process customer transactions
 - L03 Process suppliers transactions
 - L04 Process receipts and payments
 - L05 Process transactions through the ledgers to the trial balance.
-

Assessment objective 3

- Compare, produce and reconcile journals and accounts
-

Bookkeeping Controls

Related learning outcomes:

- L03 Use control accounts
- L04 Use the journals
- L05 Reconcile a bank statement with the cash book

Elements of Costing

- L02 Use cost recording techniques
 - L03 Provide information on actual and budgeted costs and income
-

Assessment objective 4

- Communicate financial information effectively
-

Work Effectively in Finance

Related learning outcomes:

- L03 Produce work effectively

2. Summary

Assessment objective	Weighting
A01 Demonstrate an understanding of the finance function and the roles and procedures carried out by members of an accounting team	42%
A02 Process transactions, complete calculations and make journal entries.	16%
A03 Compare, produce and reconcile journals and accounts.	24%
A04 Communicate financial information effectively.	18%
Total	100%

[AQ2016 - Delivering AAT qualifications](#)

1 Staff requirements

AAT requires all staff delivering AAT qualifications, including tutors, assessors and verifiers to be professionally competent to do so.

If a training provider wishes to claim recognition of prior learning (RPL) for a student, then staff must hold assessor/verifier (A/V) units, Training, Assessment and Quality Assurance (TAQA) certification, or equivalent.

For more information on assessing RPL, and the role and qualifications required for assessors and/or Internal Verifiers, please refer to the AAT Code of Practice for Training Providers and AAT Guidance for Training Providers documents on the AAT website.

2 Training provider and assessment venue approval

Training providers must be approved by AAT to offer these qualifications.

To apply to become an AAT approved training provider, email trainingproviders@aat.org.uk with the following information:

- Full name of organisation
- Full postal address including postcode
- Landline telephone number
- Website address - this must be a live, fully functioning website
- Other awarding bodies organisation is accredited with.

When AAT has received this information, an account manager will set up a meeting, and discuss the criteria needed for approval. Training providers offering full-time funded provision to 16-19-year-old students will be required to confirm that they are providing employer engagement for those students.

Only applications that meet AAT's high standards will be approved.

Existing training providers who wish to offer the qualification(s) should contact qualityassurance@aat.org.uk to obtain the additional approval application form.

To apply to become an AAT approved assessment venue, email assessment.operations@aat.org.uk with the following information:

- The full address of the proposed venue
- Any experience in administering computer based assessments.

AAT will evaluate whether a venue meets the minimum hardware and software requirements, is a suitable environment for delivering assessments and has the staff to run assessments successfully. One of the AAT assessment team may visit a centre before approval is granted.

AAT doesn't approve venues on a permanent basis and may review a venue's status at any time. If a venue's status changes, the venue administrator will be notified in writing.

3 Quality assurance

AAT monitors training providers to ensure their continued compliance with the AAT approval criteria, the *AAT Code of Practice for Training Providers* and appropriate regulatory requirements. Within the United Kingdom, our qualifications are regulated by the Office of the Qualifications and Examinations Regulator (Ofqual) in England and Northern Ireland, by the Scottish Qualifications Authority (SQA) in Scotland and by Qualifications Wales in Wales.

All training providers have an allocated point of contact, and from time to time will be visited by AAT to ensure that quality standards are being met. The frequency of visits will depend on a number of factors and will not necessarily occur on an annual basis. If a centre has been delivering assessments using RPL as an assessment method, AAT may also ask for particular information and/or documents to be made available so that a remote verification activity might be conducted rather than a physical visit.

Training providers will receive an annual report form AAT identifying any actions that are to be addressed.

AAT may apply an action plan with deadlines and/or a sanction where training providers do not meet the requirements set out in the *Code of Practice for Training Providers* or the *Centre Agreement*.

Sanctions will be applied at training provider level and will take the following form:

Level 1 Action plan imposed

Level 2 Suspension of the right to claim certification

Level 3 Suspension of the right to register students and claim certification.

Where AAT considers that there is an irretrievable breakdown in the management and quality assurance of the delivery of specified qualifications, AAT will withdraw training provider approval.

4 Recruiting students

Training providers are expected to carry out an initial assessment of students to determine if they are on the most appropriate qualification, and that they are on the correct level.

AAT reserves the right to ask for evidence that students' development needs are matched against the requirements of the qualification and that an agreed individual delivery plan is established.

[AQ2016 - Equality and Diversity](#)

AAT firmly believes in equality of opportunity for all who participate in its qualifications.

We aim to ensure that:

- Our qualifications are free from barriers that restrict access and progression
- Our qualifications are attainable by all who can demonstrate the required standard by whatever means
- Our qualifications and publications are free from discriminatory practices or stereotypes with regard to gender, race, age, creed or sexual orientation
- Assessment tasks and study opportunities are sufficiently varied and flexible to ensure that no particular group of students or would-be students are placed at any disadvantage
- All reasonable adjustments are made to cater for the individual requirements of students

- Assessments are valid and reliable to ensure that all students receive impartial treatment.

We do this in the following ways:

1. Considering issues of diversity and equality as part of the development process.
2. Avoiding the creation of barriers that might disadvantage those students who share one or more of the protected characteristics.
3. Consultation with students (or their representatives).
4. Collection of data for monitoring and evaluation.
5. Provision of additional information on the AAT website.

Reasonable adjustments and special consideration

'Reasonable adjustment' is the term used for any special arrangement that is needed to enable disabled or temporarily incapacitated students to do their best in an assessment. A common example would be extra time for a dyslexic student.

'Special consideration' is the term used to describe the process by which a student's script is reassessed after it has been taken, due to her/him suffering an illness, traumatic accident or major and unpredictable life event at, or shortly before, the time of assessment.

In most cases, the training provider may make the decision to grant adjustments; for example, granting extra time up to and including one third of the available time as published for that assessment.

In the event of a more significant adjustment, training providers will need to contact AAT as outlined in the Reasonable Adjustment Policy on the AAT website.

The required forms and more details are available in 'Guidance on the Application of Reasonable Adjustments and Special Consideration in AAT assessments', available on the AAT website.

[AQ2016 - Support for training providers](#)

1 Centre Support team

The Centre Support team is dedicated to helping training providers with the daily running of AAT qualifications. The team also offers new training providers one to one support to help them get their AAT qualifications up and running.

Phone: +44 (0)203 3735 2443

Email: centre.support@aat.org.uk

2 Regional Account Manager (RAM)

Each training provider has their own Regional Account Manager (RAM) assigned to support them once they have been approved as an AAT training provider. RAMs help provide links to local employers, and visit regularly to keep training providers up to date on qualification developments, apprenticeships and possible commercial opportunities.

3 Weekly email update from AAT - *SummingUp*

Every Friday morning, *SummingUp* shares all the latest news from AAT including:

- Technical updates
- Qualification developments
- Upcoming events
- New e-learning materials
- The latest marketing materials available.

4 Events for training providers

Tutors have the opportunity to attend a number of events throughout the year. There are three types of tutor events.

Annual conference

The annual training provider conference is a chance to get together, network and share ideas. The two-day conference includes:

- Topical workshops
- A networking dinner on the first evening
- The opportunity to learn about new developments from AAT.

Network meetings

At these events held around the UK, training providers can raise queries, share best practice and ideas with AAT and other training providers. These events:

- Cover a wide range of topics
- Keep tutors up to date on the latest issues
- Provide relevant and cost effective CPD.

Technical events (tutor-to-tutor sessions)

These events, free of charge to training providers, cover a range of our qualifications and assessment areas. Experienced and high performing training providers share their experiences, tips and techniques with attendees to help others improve their achievement rates.

5 Tutor Talk forum

- All AAT Approved training providers have access to Tutor Talk, where tutors can contribute to online conversation about a wide range of AAT issues. Tutors will receive:
 - Unlimited user logins for all AAT tutors
 - Email updates on posts they're interested in.

6 Online support resources

In order to help AAT tutors successfully deliver AAT qualifications, a range of support materials are offered across all of our qualifications, such as:

- Interactive PDFs
- Recorded webinars
- Videos
- Podcasts
- Training materials
- Quiz questions across all AAT units

- Content queries.

All tutor support materials can be found on the AAT website.

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