

## ADVANCED BOOKKEEPING – LEVEL 3 (City & Guilds - Code 8991)

A key requirement for commercial success is the production of accurate and intelligent financial information. Bookkeeping skills are fundamental for anyone working in or wishing to work in a commercial environment.

### *Who should attend the course?*

- Anyone wishing to gain a good grounding in double-entry book-keeping in order to maintain a nominal ledger and extract a preliminary trial balance
- Anyone wishing to learn how to extend the trial balance in order to prepare the Final Accounts of a business
- Anyone wishing to set up in business and be able to keep their own books and perform the final accounts of a business.

### *Aim of the Course*

- The aim of this course is to further develop the practices and processes studied at the Basic Bookkeeping Levels 1 and 2 courses.
- The course also aims to build confidence in applying what has been learnt in the work place and potentially build a career within accounts.

### *Prerequisites*

The successful completion of Level 1 and 2 Basic Bookkeeping is a requirement. Basic math's and an understanding of the English language are desirable.

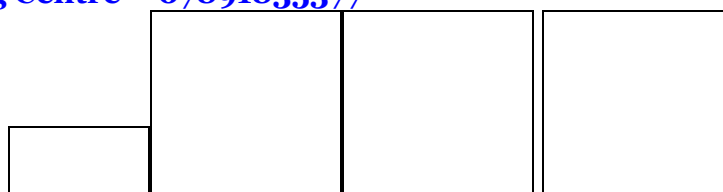
### *Objectives of the course*

*By the end of this course you be able to*

1. Process documents involved in the accounting function using double-entry bookkeeping
2. Record and interpret financial transactions up to and including final accounts
3. Prepare final accounts of sole Trader, partnerships, companies and not-for-profit organizations from conventional and incomplete records
4. Prepare year end and other adjustments associated with the above variety of organisations
5. Demonstrate an understanding of accounts through analysis and interpretation
6. Overall work as a Senior bookkeeper within a small business/sole trader

### *Course Duration*

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- The full course is 42 hours long. This can be done over 7 days' day release (1 day per week) or 9 weeks in the evenings (2 evenings per week).

### Course Content

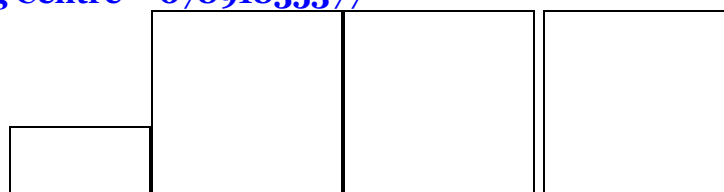
*Level 3 concentrates on:*

- Preparing financial information for;
  - Sole traders
  - Partnerships
  - Limited liability companies and not for profit/charitable organisations
  - Manufacturing accounts
  - Incomplete records
- This will include balance sheets, profit and loss accounts and period end adjustments
- Interpretation of the accounts using simple ratios to evaluate performance

### Features

- All students are required to pay for City & Guilds exam fees
- Courses are practical and case study led rather than mainly lecture based.
- Extensive individual attention is available throughout the course and you will be encouraged to ask questions.
- Course materials provided – printed handouts for each topic, questions and answers and a recommended reading list.
- The courses can be arranged to suit corporate clients making block bookings for their staff.
- Courses run from approximately 10.00 am to 4.30 pm each day. Some evening work will be required to consolidate the material covered during the day.
- Evening classes are available by arrangement.
- Sponsoring organisations will be sent a progress report on request
- BCC Ltd Bookkeeping certificate issued on completion and students have the option of a City & Guilds Exam assessment
- Foundation route to further accounting studies in AAT or ACCA

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## Course Syllabus Outline

### 1. Sole Traders and Partnerships

- 1.1. identify the difference between a sole trader and a partnership
- 1.2. Record the accounting entries from source documents using books of prime entry where appropriate. Basic recording skills will be competent up to and including the extraction of a trial balance
- 1.3. prepare the end of period accounts for a sole trader including; closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for bad debts
- 1.4. Prepare the end of period accounts for a partnership including: closing stock, depreciation (including provision), accruals, prepayments, bad debts written off, provision for bad debts
- 1.5. prepare the appropriation accounts for a partnership including the appropriation of net profit/loss as per a partnership agreement including any or all of the following: Interest on partners capital accounts, interest on partners drawings, partners salaries and commission, distribution of final residue of profit/loss
- 1.6. apply the provisions of the UK Partnership Act 1890 in so far as they apply to the distribution of profits and losses
- 1.7. identify the difference between fixed capital accounts and current accounts, write up the relevant accounts
- 1.8. prepare a simple balance sheet in vertical form using a conventional presentation; present assets and liabilities in the balance sheet in proper manner
- 1.9. **NB: Goodwill will not be tested**

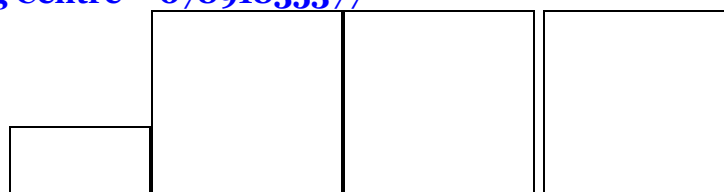
### 2. Limited Liability Companies

- 2.1. define the concept of limited liability
- 2.2. define authorised and issued ordinary shares and preference shares
- 2.3. define debentures and loan capital
- 2.4. prepare a simple vertical trading and profit and loss account including an appropriation of profits between taxation, dividends and revenue reserves (net losses will not be tested)
- 2.5. incorporate the following adjustments into the end of period accounts; closing stock, depreciation (including provision), accruals, prepayment, bad debts written off, provision for bad debts
- 2.6. prepare a simple company balance sheet in vertical form using a conventional presentation; present assets and liabilities in the balance sheet in proper manner
- 2.7. NB: partly paid share, bonus shares, rights issues and cumulative/non cumulative preference shares will not be tested

### 3. Not-for-profit Organisations

- 3.1. define a not-for-profit organisation

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- 3.2. calculate an accumulated (capital) fund
  - 3.3. distinguish between 'receipts and payments' and 'income and expenditure' for an accounting period
  - 3.4. compute 'surpluses' or 'deficits' for a club or society as a result of (a) the sale of refreshments (b) social or recreational fund raising activities (c) the disposal of capital equipment
  - 3.5. prepare end of period revenue accounts for clubs and societies
  - 3.6. be able to incorporate the following adjustments into end of period accounts; accruals, prepayments, subscriptions in advance and in arrears, depreciation, acquisition of capital equipment
  - 3.7. prepare end of period balance sheets for clubs and societies
4. *Manufacturing organisations*
- 4.1 define a manufacturing organisation
  - 4.2 define; prime cost, factory overhead, raw material consumed, work in progress, cost of goods produced
  - 4.3 differentiate overheads between manufacturing and trading
  - 4.4 prepare a simple manufacturing account in vertical format
  - 4.5 prepare a simple trading and profit and loss account in vertical format
  - 4.6 be able to incorporate the following adjustments into end of period accounts; stocks/raw materials, work in progress, finished goods; accruals, prepayments, depreciation, bad debts, provision for bad debts
  - 4.7 prepare an end of period balance sheet in vertical format
5. *Incomplete records*
- 5.1. prepare a 'statement of affairs' and use this as a means of computing the opening capital at the start of a trading period
  - 5.2. prepare a 'statement of affairs' and use this as a means of computing the profit or loss for a trading period
  - 5.3. prepare a simple trading and profit and loss account in vertical format
  - 5.4. incorporate the following adjustments into end of period accounts; stocks, accruals, prepayments, depreciation, bad debts, provision for bad debts, sales, purchases, drawings
  - 5.5. prepare a simple balance sheet in vertical format
  - 5.6. NB: all questions on this area will relate to sole trader accounts
6. *Interpretation*
- 6.1 use simple ratios to evaluate profit and liquidity across different organisations and across different trading periods
  - 6.2 from simple ratios make basic management observations together with simple judgments and/or recommendations
  - 6.3 calculate the following ratios to one decimal place; gross profit margin, net profit margin, return on capital employed, stock turnover (in days), debtors collection (in days) current ratio, quick (acid test) ratio

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