

Unit 10: Financial Accounting

Unit code: A/508/0496

Unit type: Optional

QCF level: 4

Credit value: 15

AIM

The overall aim of this unit is to introduce students to essential financial accounting principles and techniques which will enable them to record and prepare basic final accounts.

TASK:

You are a Financial Consultant contracted by a new Business Enterprise that is encountering myriads of financial accounting challenges. Your job as a Financial Consultant is to analyze the problems in the new start-up, contribute effectively to the accounting function of the organisation, record and prepare basic financial accounts for the business, and create the understanding of how the essential financial accounting principles and techniques will enable them to record and prepare basic final accounts as balancing the books is at the heart of all business management.

Because of your responsibility of directing start-up business, your expertise will help the business to explore preparing accounts for sole traders and partnerships as well as limited companies for current and future development:

Learning outcomes.

By the end of this unit you will be able to:

- 1) Record business transactions using double entry book-keeping, and be able to extract a trial balance.
- 2) Prepare final accounts for sole-traders, partnerships or limited companies in accordance with appropriate principles, conventions and standards.
- 3) Perform bank reconciliations to ensure company and bank records are correct.
- 4) Reconcile control accounts and shift recorded transactions from the suspense accounts to the right accounts.

Unit 10: Financial Accounting

INSTRUCTION TO THE STUDENTS:

- For Unit 10 Learning Outcome 1-4 are Group Assignments only. There are Six tasks for PASS in Unit 7: P1 – P6. There are Eight tasks for higher grades: M1, M2, M3, M4, D1, D2, D3 & D4.
- These Tasks are Research Assignments. This means that you must use either Secondary and/or Primary research methods to gather evidences to answer each task. You are NOT required to write from prior knowledge. These are Research Tasks.
- Plagiarism is totally unacceptable. You must cite all sources and input the information by paraphrasing, summarising or using direct quotes. A Fail Grade is given where Plagiarism is identified in your work. There are no exceptions.
- Your evidences/findings must be cited using Harvard Referencing Style. E.g. (Samuels, 2015); (Sommers and Hunter, 2014) etc.
- You must use the Four Paragraph Structure in writing: Paragraph 1- Introduction; Paragraph 2- Research Findings; Paragraph 3- Discussion; and Paragraph 4- Recommendations/Conclusion.
- To Pass the unit you MUST Achieve **ALL** the Pass Criteria outlined on the score sheet. You can earn a Higher Grade such as Distinction or Merit by meeting all Pass Criteria and achieving the criteria given on the Higher Grades Score Sheet. You will be given a Referred Grade if you fail to meet ALL Pass Criteria. Referred Grade means resit. You must resit any AC that you fail to obtain minimum of a pass. The Score Sheet will identify the specific requirement/s and criteria that you did not meet. See iTutor for the resit fees. BACK-UP YOUR WORK ON-GOING – COMPUTER FAILURE IS NOT AN ACCEPTED EXCUSE.
- You SHOULD complete and submit a hardcopy and softcopy of your work on the due dates stated on the Academic Calendar. ALL late work attracts a fee. This rule is not waived under any circumstances. The softcopy should be sent to: faculty@colbournecollege.com. The hard copy to 6 Hillview Avenue, Kng 10.
- You MUST pay your Tuition on-time with '0' balance outstanding to submit work or sit examinations. This rule is not waived under any circumstances. If you fail to submit on the said deadline due to not having financial clearance you may submit no later than the extended deadline with the Resit fee paid. Failure to submit work on the final or extended deadline will result in a Fail Grade for the entire UNIT. If you Fail the unit you will have to pay to retake the class.
- Read ALL Instructions on this Page and review the Pass, Distinction, Merit and Referred Criteria attached to meet the criteria and task correctly. Your work should be neatly typed and bonded. Presentation is important and evidence of quality and business ethics.
- Remember you **MUST** participate in the Class Form by answering the Lesson Review Questions posted by the Course/Unit Tutor. You are required to Post twice per week and by the latest on Friday. You get 10% of the course grade from the Forum. You Must Pass the Forum to pass the course/unit.
- **PLEASE USE HEADINGS FOR ALL THE DIFFERENT ACTIVITIES WITHIN EACH TASK EG. P1, M1**

REVIEW DATES FOR LO 1 & 2: MIDSEMESTER | SUBMISSION DEADLINES: ON THE ACADEMIC CALENDAR | ORAL PRESENTATION: NONE

TEAM INSTRUCTIONS AND REQUIREMENTS

Learning Outcomes 1-4 have **Group assignments only**: For PASS: P1, P2, P3, P4, P5 & P6; MERIT: M1, M2, M3, & M4; Distinction: D1, D2, D3 & D4
Students must earn a Pass Grade on all tasks labeled **P** to Pass the paper and to further progress to earn the higher grades in the order of M, then D.

TEAM WORKING REQUIREMENTS:

- Students are to be assigned in teams of **2 persons** | maximum of **3** Members.
- The Lecturer must provide an appropriate Case Study that will enable the students to meet the Assessment Criteria (AC).
- Additionally, for Oral Presentations, the OP Form MUST be provided to the students and used to score the Oral Presentations. Both the Oral Presentation Form and the official score sheet for the Assessment Criteria are used to score Oral Presentations.
- Team Presentations may also be ONE written report. The attached scoresheet is used for grading. Team-working is also supported by reflective essays that individual team members prepare to verify their learning and contributions. The instructions are below.
- Students are placed in teams based on their Induction Scores.
- Oral and Written Assessments include least three markers – the lecturer as the first marker; a second marker-verifier; and Pearson's ISV.

A. Students Team Requirements

One Project Report Must Be Submitted for The Written and/or Oral Presentation as Instructed. In addition, you will also submit:

- 1) Submit a copy page with your names, course index, course title, name of lecturer, in partial completion of, and the date.
- 2) Submit the names of the of **3/4 members** who are the case study participants.
- 3) Outline each member's roles, participation and activities;
- 4) If the study is conducted inside a specific organization, you must submit written approval from the firm before you commence.
- 5) Minutes of all the team's meetings are to be included. Include names of the attendees in the Minutes.
- 6) Hand-in all supporting brochure, role-play script, leaflet, power point, or other used in the presentation.

No Individual Reporting Is Required from The Team Participants

TEAM WORKING REQUIREMENTS AND VERIFICATION STUDENTS AND LECTURERS ROLES AND EXPECTATIONS IN THE TEAMWORKING

GROUP EXPECTATIONS

Grades are not given as a team but to each person, as individual. Thus each student has a personal interest and a say in the team about the persons who will favorably or unfavorably impact the team. Similarly, a group member can ask to be removed from a team, if he/she believes that the team is not a best-fit. Colbourne College is very open in our approach because at the end of the day students must make the best decision that lead to their success in the assignment. If by removing students from the team, joining another team, or submitting the work as an individual is the acceptable choice, then this must be discussed with the lecturer. We however ask that good leadership, judgement, sportsmanship, ethics and thoughtful consideration be demonstrated at all times. For a student to be removed from a team it requires two-third quorum of the members.

While not recommended and is rare, we will review special consideration request, to accept individual work - as long as the learning achievement is accomplished on the due dates- if any of the above circumstances occur.

IMPORTANT! When your group is forming please outline the requirements and expectation: competencies, behavior, attendance, and requirements of every member of the team. This must be discussed at meeting one and agreed to by every single member before they are drafted in the group.

HERE ARE THE RECOMMENDED STANDARDS OF TEAM-WORKING

1. Form a Skype Group, add all members to the group. 2. Ask everyone to read over the assignment and make notes prior to meeting one. 3. Set up Meeting One to I) go through the process of forming and norming. ii) discuss the assignment requirements thoroughly, resources needed and cost-sharing. iii) vote for a) **Leader** to organize meetings, direct the activities of the team and manage the codes of conduct. b) **Minute taker** to record minutes and take attendance records. c) **Timekeeper** to call the group at agreed meeting times or start, record and close the meetings - whether face-to face or online meetings. d) **Printer** to collect signatures, bind the completed work and submit the work. iv) Calendar and set ALL the meeting dates at agreed times. Do not call short-notice meetings and expect everyone to attend. This is poor management.

MEETINGS. HOW TO APPROACH THE ASSIGNMENTS (AC) TO ENSURE THE WORK MEETS QUALITY STANDARD AND TO SECURE A PASS GRADE OR HIGHER GRADE THE GROUP IS TARGETING

- 1) Everyone should be present and meet to discuss each of the AC and contribute ideas to how the task should be approached. It is important also to discuss the contents to be sure that the outcome reflects the substance and grade criteria aiming for.
- 2) Next, designate different people to write up the different report/AC.
- 3) Set specific time when each AC is to be submitted. No excuse is acceptable. Some students major in excuse.
- 4) Everyone in the group should then be emailed the completed AC to read, to edit and make recommendations - if any. Return to the printer or designated person for the writer to incorporate the various recommendations received and modify the draft to a suitable and agreed state.
- 5) When all team members review and accept a satisfying draft of the work. They will convey to the leader that the version of the AC reported now meets the pass or higher grade standards, then
- 6) Finally, all team members **MUST** sign off on the Authenticity of Own Work Form.

NOTE!! The Skype Group created by the team is to allow dialogue on each of the AC. The person requested to write, requires the input of every single member. This means that ALL members must contribute research findings and ideas to every-single AC. This is not negotiable.

If the leader cannot achieve the above criteria to satisfactorily bring everyone together to achieve the team goals of a higher grade - demote him/her for incompetence. In turn all members must work with the team and leader in good faith - don't sabotage others because you goals are dis-aligned or misplaced. If you are experiencing problems, speak to your advisor immediately. **FAILING OR QUITTING IS NOT AN OPTION.**

REMINDERS!! Leaders please ensure that every single person contributes to each AC. Add the Lecturer to the Skype group as soon as it is formed. The lecturer will review the Skype messages to confirm the engagement and participation of everyone in the ACs and the appropriateness of the functions undertaken to meet the requirements and timelines.

We do not support free riders or uncooperative students. A team is as strong, successful and high performing as its members.

Unit 10: Financial Accounting Score Sheet

NAME OF STUDENT:

DATE:

Learning Outcome	At Minimum You Must Meet the Criteria For All PASS (P) Grades In The Unit:	ACHIEVED	
		YES	NO
TASK ONE: LO 1: P1; P2; M1; D1 Record business transactions using double entry book-keeping, and be able to extract a trial balance	<i>The Student should carry out this task as a Financial Consultant to a Small Business Enterprise</i>		
	1. Define the following accounting terms: Receipts and payments; Debits; Credits; Sales; Purchases; General Ledger; Double Entry; Trial Balance; balance off rule		
	2. Present the research findings on: how to apply the double entry book-keeping system of debits and credits; how to record sales and purchases transactions in a general ledger; and how to produce a trial balance using the balance off rule to complete the ledger.		
	Carry out the instructions provided by your tutor (see attached work sheet) to:		
	3. For Pass Grade: P1 Apply the double entry book-keeping system of debits and credits. Record sales and purchases transactions in a general ledger.		
	4. For Pass Grade: P2 Produce a trial balance applying the use of the balance off rule to complete the ledger.		
	5. For Merit Grade: M1 Analyse sales and purchase transactions to compile a trial balance using double entry bookkeeping appropriately and effectively.		
	6. For Distinction Grade: D1 Record correctly transactions and produce an accurate trial balance by completing the balance off of ledger accounts, checking that each transaction is recorded in line with accepted accounting principles.		
	STUDENTS WORK MUST BE:		
	7. Carrying Out the command in P1 - to APPLY which means: “Put into operation or use. Use relevant skills/knowledge/ understanding appropriate to context.”		
	8. Carrying Out the command in P2 to: to PRODUCE which means: “To bring into existence. Give rise to by intellectual or creative ability: to make or manufacture.”		
9. Carrying Out the command in M1 to: to ANALYSE which means: “Separate information into components and identify their characteristics. Discuss the pros and cons of a topic or argument and make reasoned comment.”			
10. Including themes and perspectives identified in your research findings and the content areas: Business transactions: <ol style="list-style-type: none"> 1. Giving consideration to the types of business transactions (sales, purchases, receipts and payments) and the regulations which apply to financial accounting. Double entry book-keeping: <ol style="list-style-type: none"> 2. Double entry recording in sales, purchases, cash disbursement and cash receipt journals before posting to the ledger accounts. 3. Manual and electronic systems will be introduced and how, why and when these are used. 4. Effectively recording debits and credits; regulations that apply to financial accounting. Trial balance: <ul style="list-style-type: none"> • Understanding how the trial balance is produced and its role in the identification and rectification of errors; the components of a trial balance and their importance will be considered. 			
11. Using Harvard Referencing Style properly.			
Choose One	The Student/s Is/Are Awarded: REFERRED Grade PASS Grade MERIT Grade DISTINCTION Grade	YES	NO
Name Of Assessor:		Date Of Assessment:	

Unit 10: Financial Accounting Score Sheet

NAME OF STUDENT:

DATE:

Learning Outcome	At Minimum You Must Meet the Criteria For All PASS (P) Grades In The Unit:	ACHIEVED	
		YES	NO
TASK TWO: LO 2: P3; P4; M2; D2 Prepare final accounts for sole-traders, partnerships and limited companies in accordance with appropriate principles, conventions and standards	<i>The Student should carry out this task as a Financial Consultant to a Small Business Enterprise</i>		
	1. Define the following accounting terms: Financial reports and financial statements		
	2. Present the research findings on: What is the difference between the financial reports and financial statements? How, why and when is each one produced? What are the different types of financial statements and what do they cover; What adjustments are required for accruals, prepayments and bad debts?		
	Carry out the instructions provided by your tutor (see attached work sheet) to:		
	3. For Pass Grade: P3 Prepare final accounts from given trial balance figures adjusting for accruals, depreciation and prepayments.		
	4. For Pass Grade: P4 Produce final accounts for a range of examples that include sole-traders, partnerships or limited companies.		
	5. For Merit Grade: M2 Analyse profit and loss accounts, balance sheet and cash flow statements appropriate for the given examples.		
	6. For Distinction Grade: D2 Apply appropriate and accurate calculations for the constructing of the final accounts.		
	STUDENTS WORK MUST BE:		
	7. Carrying Out the command in P3 - to PREPARE which means: "to formulate."		
	8. Carrying Out the command in P4 to: to PRODUCE which means: "To bring into existence. Give rise to by intellectual or creative ability: to make or manufacture."		
	9. Carrying Out the command in M2 to: to ANALYSE which means: "Separate information into components and identify their characteristics. Discuss the pros and cons of a topic or argument and make reasoned comment."		
	10. Carrying Out the command in D2 - to APPLY which means: "Put into operation or use. Use relevant skills/knowledge/ understanding appropriate to context."		
	11. Including themes and perspectives identified in your research findings and the content areas: Financial reports and financial statements: <ol style="list-style-type: none"> 5. What is the difference between the two? 6. How, why and when are each one produced? 7. Different types of financial statements and what they cover. 8. Adjustments required for accruals, prepayments, bad debts, etc. Types of accounts: <ul style="list-style-type: none"> • Preparing final accounts (e.g. for sole-traders, partnerships or limited companies). Principles and conventions: <ul style="list-style-type: none"> • Understanding accounting rules and principles. • Understanding the concepts and conventions of consistency and material disclosure. 		
	12. Using Harvard Referencing Style properly.		
Choose One	The Student/s Is/Are Awarded: REFERRED Grade PASS Grade MERIT Grade DISTINCTION Grade	YES	NO
Name Of Assessor:		Date Of Assessment:	

Unit 10: Financial Accounting Score Sheet

NAME OF STUDENT:

DATE:

Learning Outcome	At Minimum You Must Meet the Criteria For All PASS (P) Grades In The Unit:	ACHIEVED	
		YES	NO
TASK THREE: LO 3: P5; M3; D3 Perform bank reconciliations to ensure company and bank records are correct	<i>The Student should carry out this task as a Financial Consultant to a Small Business Enterprise</i>		
	1. Define the following accounting term: Bank Reconciliation		
	2. Present the research findings on: What is meant by bank reconciliation and why is it required? How is this achieved? Why is this necessary? Who would be interested in the outcome of a reconciliation? How are variances identified through a bank reconciliation? When is a negative variance a positive and vice versa?		
	Carry out the instructions provided by your tutor (see attached work sheet) to:		
	3. For Pass Grade: P5 Apply the bank reconciliation process to prepare a number of bank reconciliations.		
	4. For Merit Grade: M3 Apply the reconciliation process demonstrating the use of deposit in transit, outstanding checks and Not Sufficient Funds (NSF) check.		
	5. For Distinction Grade: D3 Prepare accurate bank reconciliations that apply appropriate tools and techniques to check general accounts and balance sheets.		
	STUDENTS WORK MUST BE:		
	6. Carrying Out the command in P5 & M3 - to APPLY which means: “Put into operation or use. Use relevant skills/knowledge/ understanding appropriate to context.”		
	7. Carrying Out the command in D3 - to PREPARE which means: “to formulate.”		
8. Including themes and perspectives identified in your research findings and the content areas: Bank reconciliation: <ul style="list-style-type: none"> • What is meant by bank reconciliation and why is it required? How is this achieved? Why is this necessary? Who would be interested in the outcome of a reconciliation? The process of reconciliation: <ul style="list-style-type: none"> • Ensuring that all entries relating to a particular period are correctly entered in the ledger system to support the preparation of the profit and loss account and balance sheet. • Using tools and techniques to check general accounts and balance sheets against liquid holdings and cash reserves. Variances: <ul style="list-style-type: none"> • Identifying variances through a bank reconciliation. • Dealing with negative and positive variances • When is a negative variance a positive and vice versa? • Ensuring the same entry for every debit and credit entry, and that the balance for each account is calculated and entered correctly. 			
9. Using Harvard Referencing Style properly.			
Choose One	The Student/s Is/Are Awarded: REFERRED Grade PASS Grade MERIT Grade DISTINCTION Grade	YES	NO
Name Of Assessor:		Date Of Assessment:	

Unit 10: Financial Accounting Score Sheet

NAME OF STUDENT:

DATE:

Learning Outcome	At Minimum You Must Meet the Criteria For All PASS (P) Grades In The Unit:	ACHIEVED	
		YES	NO
TASK FOUR: LO 4: P6; M4; D4 Reconcile control accounts and shift recorded transactions from the suspense accounts to the right accounts	<i>The Student should carry out this task as a Financial Consultant to a Small Business Enterprise</i>		
	1. Define the following accounting terms: control accounts AND suspense accounts		
	2. Present the research findings on: How and why are control accounts used? How do they support effective financial management? How do suspense accounts differ from control accounts? Why are they required? How are funds in suspense accounts legally protected? Why is reconciliation required? How is this conducted? What are the role of debtors and creditors accounts?		
	Carry out the instructions provided by your tutor (see attached work sheet) to:		
	3. For Pass Grade: P6 Explain the process taken to reconcile control accounts and clear suspense accounts using given account examples		
	4. For Merit Grade: M4 Demonstrate understanding of the different types of accounts and how and why they are reconciled.		
	5. For Distinction Grade: D4 Produce accurate accounts that have been reconciled applying the appropriate methods.		
	STUDENTS WORK MUST BE:		
	6. Carrying Out the command in P6- to EXPLAIN which means: “To give account of the purposes or reasons.”		
	7. Carrying Out the command in M4 - to DEMONSTRATE which means: “to show in an explicit way.”		
8. Carrying Out the command in D4 to: to PRODUCE which means: “To bring into existence. Give rise to by intellectual or creative ability: to make or manufacture.”			
9. Including themes and perspectives identified in your research findings and the content areas: Control accounts: <ul style="list-style-type: none"> • What are they? • How and why are they used? • How do they support effective financial management? Suspense accounts: <ul style="list-style-type: none"> • How do they differ from control accounts? Why are they required? How are funds in suspense accounts legally protected? Reconciling these accounts: <ul style="list-style-type: none"> • Why is reconciliation required? How is this conducted? The role of debtors and creditors accounts. 			
10. Using Harvard Referencing Style properly.			
Choose One	The Student/s Is/Are Awarded: REFERRED Grade PASS Grade MERIT Grade DISTINCTION Grade	YES	NO
Name Of Assessor:		Date Of Assessment:	