

Level II– The Certificate in Manual Bookkeeping

Examination Board - Institute of Certified Bookkeepers

Syllabus: Students must be able to demonstrate their ability to understand and carry out the following concepts of bookkeeping:



Level II
Manual

Cash Books

- 1) Explain the imprest system for dealing with petty cash
- 2) Enter opening balances and transactions into a petty cash book
- 3) Calculate and bring down balances
- 4) Restore the imprest
- 5) Post the analysed totals to the relevant ledger accounts
- 6) Set up a three column cash book and post relevant items including cash discounts involving VAT

Reconcile Sales & Purchases Ledger Accounts

- 1) Explain the need for reconciling the sales and purchases ledger accounts
- 2) Explain how discrepancies in the reconciliation can occur
- 3) Carry out a reconciliation of the sales and purchases ledger accounts

Correction of Errors

Explain the meaning of the terms business entity, going concern and accruals concept

Bank Reconciliation

- 1) Explain the discrepancies between bank statements and the bank columns of cash books
- 2) Update the cash book
- 3) Prepare such statements

VAT Returns

- 1) Show an understanding of the requirements for making VAT returns
- 2) Prepare VAT returns
- 3) Explain the balancing figure on the HMRC VAT return form and its implications for the business

Trading Profit & Loss Accounts for a Sole Trader

- 1) Explain their purpose
- 2) Prepare them from Ledger accounts, Trial balances and Lists of balances
- 3) Derive and explain, Gross profit (or loss), Net profit (or loss) and Cost of goods sold
- 4) Adjust the trading, profit and loss account for Depreciation (straight line and reducing balance Methods), Prepayments and Accruals and Bad debts

Balance Sheet for a Sole Trader

- 1) Explain their purpose
- 2) Compile them from ledger accounts and a trading and profit and loss account
- 3) Explain the meaning of, Capital, Debtors and Creditors, Fixed and Current Assets, Capital Debtors and Creditors and Fixed and current assets

Year End Journal Entries

Close off the ledger accounts at the year end making allowances for depreciation, prepayments and accruals

Non-Profit Making Organisations

- 1) Prepare a statement of affairs
- 2) Accurately prepare a receipts and payments account
- 3) Make adjustments to the accounts with regard to the accruals and prepayments of income and expenditure items including subscriptions
- 4) Prepare an income and expenditure account
- 5) Prepare a balance sheet

Upon successful completion of **Level II manual** students may proceed to
Level III – Diploma in Manual Bookkeeping