



SPECIFICATION

Level 3 Diploma in Accounting (RQF)

Qualification summary

RQF level	3
Qualification credit value	50 credits
Minimum credits at/above level	50 credits
Assessment requirements	Portfolio of Evidence

This qualification is internally assessed and internally quality assured by Centre staff and externally quality assured by Innovate Awarding External Quality Advisors (EQAs).

Aims and objectives of the qualification

The Level 3 Diploma in Accounting (RQF) is designed to equip learners with the skills, knowledge, resources and expertise they need to work within an accounting role.

This RQF competence-based qualification focuses on technical training in accounting and aims to provide learners with the specialist knowledge of intermediate accountancy. This qualification covers a wide range of financial processes, including final accounts for sole traders and partnerships, reports and returns and professional ethics.

Entry guidance

There are no formal entry requirements for this qualification.

This qualification is suitable for those who work within a number of industries and job roles. It provides learners with an opportunity to demonstrate their competence and knowledge in a wide range of accountancy areas.

Progression opportunities

Learners who achieve this qualification could progress into employment in a number of accountancy roles and/or continue their study in this or other areas such as:

Qualification structure

Learners must achieve all of the mandatory content. Learners must complete all six units with a total value of 50 credits to achieve the IAO Level 3 Diploma in Accounting (RQF).

The total Guided Learning (GL) for this qualification is 348 hours.

Unit Structures

All mandatory units are included in this specification pack.

Mandatory units

Unit ref	Unit title	Level	Credit value	GL
Y/615/0905	Accounting software and producing reports	3	7	60
M/615/0909	Accounting transactions and adjustments	3	13	83
T/615/0913	Managing cash using spreadsheet software	3	8	50
F/615/0915	Managing yourself in a finance and accounting environment	3	4	25
L/615/0917	Prepare final accounts for unincorporated businesses	3	9	60
Y/615/0919	Supporting and influencing decision making in accounting	3	9	70

Title:	Y/615/0905 Accounting software and producing reports
Level:	3
Credit value:	7
Guided learning (GL):	60
Total Qualification Time (TQT):	72
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to support the business on selecting accounting software	1.1 Compare the features of a software package and a spreadsheet 1.2 Support the setup 1.3 Enter all relevant information relating to the business onto the software 1.4 Determine the specific features of the software which will be relevant to the business
2. Be able to process data and information on the accounting software	2.1 Process purchase and sales documentation 2.2 Code invoices and documentation matching to the relevant profit and loss and balance sheet codes accurately 2.3 Calculate VAT accurately 2.4 Input payments and receipts from bank statements and all other sources accurately

<p>3. Be able to reconcile ledgers</p>	<p>3.1 Record supplier payments, match these to purchase documentation and reconcile balances with supplier statements</p> <p>3.2 Record customer receipts, match these to sales documentations and reconcile balances with customer statements</p> <p>3.3 Outline the steps to request missing information from customers and suppliers</p> <p>3.4 Produce creditor and debtor reports for the business</p> <p>3.5 Reconcile HMRC (HM Revenue and Customs), creditors (Pay As You Earn (PAYE)) and VAT (Value Added Tax)</p> <p>3.6 Reconcile bank accounts using bank statements and record any missing transactions</p> <p>3.7 Explain the components of a VAT return</p>
<p>4. Be able to input journals</p>	<p>4.1 Record the following journals accurately:</p> <ul style="list-style-type: none"> depreciation stock accruals and prepayments profit or loss on the disposal of fixed assets VAT adjustments bad debt write offs contra between the sales and purchase ledgers <p>4.2 Explain the process to reverse journals</p>

<p>5. Be able to produce reports for the business</p>	<p>5.1 Produce debtor and creditor reports</p> <p>5.2 Produce a report showing un-reconciled bank transactions not yet cleared</p> <p>5.3 Produce detailed analysis of nominal codes on the profit and loss account</p> <p>5.4 Produce profit and loss accounts for any given period</p> <p>5.5 Produce a trial balance and ensure all ledgers are reconciled</p> <p>5.6 Produce a VAT return</p> <p>5.7 Prepare year end accounts</p> <p>5.8 Use the data in the reports to assist in the financial performance of the business</p> <p>5.9 Produce other reports which will help support the productivity of the business</p>
<p>6. Be able to identify and correct errors relating to accounting software and reports</p>	<p>6.1 Use the ledgers on the trial balance to identify errors</p> <p>6.2 Delete or amend incorrect transactions</p> <p>6.3 Post journals to correct errors</p> <p>6.4 Ensure that a backup system is in place to reduce the risk of losing data</p>

Additional information about this unit

Relevant to the business:

- Pay As You Earn (PAYE)
- VAT
- Forecasting tools

Information:

- Direct debit / standing order mandates
- Requests in emails etc
- Invoices, credit notes
- Information from cheques

Other sources:

- Online sales
- listings Cheques
- Remittance advices
- Statements

VAT return: Domestic purchases and sales only

Support the setup: Support the setup of the software, recording opening balances and create appropriate ledger accounts

Unit aim (s)	This unit will provide learners with the skills to use accounting software. The unit will allow learners to apply the knowledge they have gained from other units to simulate a practical environment. The unit will also help learners understand VAT and show them how to produce relevant reports, both to review business performance but also for submission to relevant bodies.
Assessment requirements specified by a sector or regulatory body (if appropriate)	N/A
Details of the relationship of the unit and relevant national occupational standards	N/A

Title:	M/615/0909 Accounting transactions and adjustments
Level:	3
Credit value:	13
Guided learning (GL):	83
Total Qualification Time (TQT):	125
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to reconcile debtors and creditors	<p>1.1 Record cash receipts and match with sales documentation in order to reconcile debtors</p> <p>1.2 Describe the importance of accurate and up-to-date debtor reports in relation to the cash flow of a business</p> <p>1.3 Record supplier payments with purchase documentation in order to reconcile creditors</p> <p>1.4 Interpret debtor and creditor reports</p> <p>1.5 Describe the importance of creditor reports to a business</p> <p>1.6 Describe how creditor reports can be used to plan payments</p>
2. Be able to understand accounting adjustments and its effect on profit	<p>2.1 Prepare accruals and prepayments for income and expenditure</p> <p>2.2 Choose the correct accounting treatment for capital and revenue expenditure</p> <p>2.3 Apply straight line and reducing balance methods of depreciation</p>

	<p>2.4 Calculate the profit or loss on the disposal of a fixed asset</p> <p>2.5 Identify factors of when debt should be written off</p> <p>2.6 Calculate provision for doubtful debts</p> <p>2.7 Record opening and closing stock</p> <p>2.8 Record journals on: accruals prepayments depreciation disposals bad and doubtful debts stock</p> <p>2.9 Explain the effect that each accounting adjustment will have on profit</p> <p>2.10 Apply the relevant reversal techniques for accounting adjustments</p>
<p>3. Be able to correct errors in accounting information</p>	<p>3.1 Identify accounting errors by checking ledgers</p> <p>3.2 Record journals to correct the errors</p> <p>3.3 Explain which types of errors cause the trial balance: not to balance to balance</p> <p>3.4 Explain the purpose of a suspense account</p>
<p>4. Be able to perform bank reconciliations</p>	<p>4.1 Record bank receipts and payments accurately</p> <p>4.2 Record the bank transactions from the cashbook including matching these to the transactions on the bank statements</p>

	<p>4.3 Correct any inaccuracies or missing transactions</p> <p>4.4 Describe the importance of the bank reconciliation on the accounts and reports such as: debtor and creditor reports</p> <p>4.5 Reconcile the closing bank balance to the bank balance on the ledger</p> <p>4.6 Recognise procedures to follow when writing off small differences on bank reconciliation</p>
<p>5. Be able to prepare an extended trial balance</p>	<p>5.1 Reconcile all ledgers</p> <p>5.2 Use the ledger balances to prepare a trial balance and control accounts</p> <p>5.3 Prepare journals for: closing stock bad and doubtful debts depreciation of fixed assets accruals prepayments</p> <p>5.4 Prepare an extended trial balance following the adjustments</p> <p>5.5 Recognise the effect the adjustments have on the: balance sheet profit and loss account</p> <p>5.6 Check to ensure the balances are correct</p>
<p>6. Understand accounting concepts and principles</p>	<p>6.1 Explain the concept of cash transactions and its distinction to the matching concept</p> <p>6.2 Describe the main characteristics of accounting information</p>

<p>Additional information about this unit</p> <p>Adjustment:</p> <ul style="list-style-type: none"> Accruals Prepayments Depreciation Bad and doubtful debts <p>Main characteristics:</p> <ul style="list-style-type: none"> Relevance Reliability Comparability Consistency <p>Types of errors:</p> <ul style="list-style-type: none"> Transposition error Error of commission Error of omission Error of principle Compensation error Errors of original entry Reversing errors 	
Unit aim (s)	This unit will provide learners with the knowledge and skills to confidently make adjustments to accounts before final accounts are prepared. The unit will also support learners to confidently perform reconciliations to aid them to check their work and detect errors.
Assessment requirements specified by a sector or regulatory body (if appropriate)	N/A
Details of the relationship of the unit and relevant national occupational standards	N/A

Title:	T/615/0913 Managing cash using spreadsheet software
Level:	3
Credit value:	8
Guided learning (GL):	50
Total Qualification Time (TQT):	75
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to use spreadsheets to produce and update a cash flow forecast	<p>1.1 Produce a cash flow forecast using spreadsheets to enter and update: text numerical data</p> <p>1.2 Identify areas of concern within a cash flow forecast</p> <p>1.3 Explain what measures can be taken to improve the cash position of a business</p> <p>1.4 Explain the difference between profit and cash flow</p> <p>1.5 Identify unplanned cash inflows or outflows and promptly reflect these in the cash flow forecast</p> <p>1.6 Use a wide range of functions and formulas on a spreadsheet to show impact of cash deficits</p> <p>1.7 Describe methods to prevent cash deficits in a timely manner</p> <p>1.8 Describe methods in which cash deficits could be prevented using spreadsheets to show the impact of changes</p>

	<p>1.9 Explain when discounts can benefit the business and when they should be avoided</p>
<p>2. Understand how to communicate with internal and external stakeholders</p>	<p>2.1 Explain how a business can improve its cash flow through relationships with: customers suppliers</p> <p>2.2 Describe how a business can negotiate different terms to help cash flow with customers and suppliers</p> <p>2.3 Explain cash flow problems to management</p> <p>2.4 Explain to external stakeholders the cash flow position of the business</p> <p>2.5 Explain the possible causes and solutions in relation to cash flow problems</p>
<p>3. Understand how to distinguish between short term and long term solutions to cash flow problems</p>	<p>3.1 Explain the importance of up-to-date financial information</p> <p>3.2 Identify short term solutions to cash flow problems</p> <p>3.3 Describe the advantages and disadvantages of different short term cash flow solutions to the business</p> <p>3.4 Explain how a business can improve its cash flow position in the long term</p> <p>3.5 Explain overtrading and its impact on a business</p>
<p>4. Be able to manage excess cash</p>	<p>4.1 Use cash flow reports to identify surplus cash</p>

	<p>4.2 Identify the appropriate level of cash to be maintained by the business to manage its day to day operations</p> <p>4.3 Describe ways in which surplus cash can be used or invested</p> <p>4.4 Explain why it may be necessary to keep surplus cash within the business</p> <p>4.5 Describe possible restraints a business may have when investing surplus cash</p>
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Additional information about this unit

Discounts:

- Bulk discount
- Prompt payments

Wide range:

- Formatting
- Formula
- Functions
- Present

Unit aim (s)	This unit will provide learners with the opportunity to use spreadsheets as a tool for managing cash flow. The unit will allow learners to consider the differences between cash and profit and ways in which a business can manage excess cash. The unit will also help learners understand the importance of being aware of cash flow levels and reporting any cash flow issues in a timely manner so that appropriate action can be taken.
Assessment requirements specified by a sector or regulatory body (if appropriate)	N/A
Details of the relationship of the unit and relevant national occupational standards	N/A

Title:	F/615/0915 Managing yourself in a finance and accounting environment
Level:	3
Credit value:	4
Guided learning (GL):	25
Total Qualification Time (TQT):	35
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to communicate effectively	<p>1.1 Communicate internally with colleagues at all levels to build rapport</p> <p>1.2 Describe the advantages and disadvantages of a variety of communication techniques</p> <p>1.3 Explain communication techniques with external customers and clients</p> <p>1.4 Explain how communication from the individual reflects on the business</p> <p>1.5 Explain the importance of how communication reflects on the business</p>
2. Understand how to behave in in a professional manner	<p>2.1 Explain the influences of acting in a professional manner in accounting</p> <p>2.2 Explain how the professional image of a workplace can impact on clients and customers</p> <p>2.3 Describe what constitutes as professionalism within a workplace</p> <p>2.4 Explain how the actions of senior members of staff can have an impact on junior members of the team</p>

	<p>2.5 Explain the importance of client confidentiality</p> <p>2.6 Explain the fundamental ethical principles of working in a professional environment</p>
<p>3. Understand the importance of planning work in an accounting role</p>	<p>3.1 Explain the importance of planning work</p> <p>3.2 Describe methods to help estimate how long a task will take to complete</p> <p>3.3 Explain how investing time in planning work can increase personal effectiveness</p> <p>3.4 Explain how a clear work plan can have a positive impact on productivity</p> <p>3.5 Describe the actions to be taken should there be a need to alter a work plan</p> <p>3.6 Explain the need to inform a manager where work is not going to be completed by an agreed deadline</p> <p>3.7 Describe the effect that a disorganised individual has on other people</p> <p>3.8 Explain the need for targets and objectives and how to evaluate performance</p>
<p>4. Understand how to use timesheets to maximise productivity</p>	<p>4.1 Describe what a timesheet is and the information included</p> <p>4.2 Explain the importance of timesheets to an organisation</p> <p>4.3 Explain the importance of timesheets to employees</p> <p>4.4 Describe how the use of timesheets can have a positive impact on productivity</p> <p>4.5 Describe other methods of improving productivity other than timesheets</p>

Additional information about this unit	
Communication techniques: Telephone Face to face Email Letters Presentations Networking On-line forums Instant messenger	
Unit aim (s)	This unit will provide learners with the skills and knowledge to be effective in an accounting and finance environment. The unit will focus on some of the non-technical areas of being a professional such as communication and time management and will allow learners to explore methods to improve their personal effectiveness and productivity. The unit also allows the learner to consider the position of the business by looking at timesheets and professionalism.
Assessment requirements specified by a sector or regulatory body (if appropriate)	N/A
Details of the relationship of the unit and relevant national occupational standards	N/A

Title:	L/615/0917 Prepare final accounts for unincorporated businesses
Level:	3
Credit value:	9
Guided learning (GL):	60
Total Qualification Time (TQT):	90
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to prepare sole trader accounts	<p>1.1 Prepare in accordance with GAAP (Generally Accepted Accounting Practices) the following for a sole trader: profit and loss account balance sheet</p> <p>1.2 From an initial trial balance take into account any accounting adjustments to produce a: profit and loss account balance sheet</p> <p>1.3 Calculate the accounting equation</p> <p>1.4 Describe how the items within a profit and loss and balance sheet contribute to the value of the business</p> <p>1.5 Explain the main differences between accounts prepared in accordance with GAAP to accounts prepared under cash accounting</p>
2. Be able to prepare partnership accounts	2.1 Prepare a profit and loss account and balance sheet for a partnership from an initial trial balance taking into account any relevant accounting adjustments

	<p>2.2 Outline how profit will be apportioned between the partners: taking account of salaries interest on capital interest on drawings</p> <p>2.3 Explain the effect on the current and capital accounts where a new partner joins or an existing partner leaves the partnership</p> <p>2.4 Explain what goodwill is and how it is treated in partnership accounts</p> <p>2.5 Prepare capital accounts for each partner at the balance sheet date</p> <p>2.6 Prepare current accounts for each partner at the balance sheet date</p> <p>2.7 Explain how partners' salaries, interest on capital and interest on drawings could be determined as part of the partnership agreement</p>
<p>3. Understand how financial statements are used to monitor business performance</p>	<p>3.1 Explain the importance of measuring the performance of unincorporated businesses</p> <p>3.2 Explain the advantages and disadvantages of using ratio analysis to monitor business performance</p> <p>3.3 Define the following ratios: Gross profit Margin Net Profit Margin Current Ratio Quick Ratio (Acid Test) Return on capital Employed Inventory Turnover Trade Receivable Collection Period Trade payable Payment Period</p>

<p>4. Understand the users of the accounts</p>	<p>4.1 Explain the impact that inaccurate information can have on decision making</p> <p>4.2 Explain the reasons why a lender would want to review the accounts of a business and what the information could be used for</p> <p>4.3 Explain how the business owners use the accounts when making decisions</p> <p>4.4 Explain which other organisations, businesses or government bodies may use the accounts</p> <p>4.5 Describe the importance of having up to date accounts</p>
<p>Additional information about this unit</p> <p>N/A</p>	
<p>Unit aim (s)</p>	<p>This unit will provide learners with the knowledge and skills to prepare final accounts for unincorporated businesses; sole traders and partnerships. Consideration will be given to how profits are apportioned to partners and how each partner will keep track of their own capital amounts invested. The unit also gives learner an understanding of some of the more complex areas of partnership accounts such as goodwill.</p>
<p>Assessment requirements specified by a sector or regulatory body (if appropriate)</p>	<p>N/A</p>
<p>Details of the relationship of the unit and relevant national occupational standards</p>	<p>N/A</p>

Title:	Y/615/0919 Supporting and influencing decision making in accounting
Level:	3
Credit value:	9
Guided learning (GL):	70
Total Qualification Time (TQT):	90
Learning outcomes The learner will:	Assessment criteria The learner can:
1. Be able to identify a limiting factor and produce an optimal production plan	1.1 Identify a limiting factor in a business context 1.2 Calculate contribution per unit 1.3 Calculate contribution per unit of scarce resource 1.4 Produce an optimal production plan 1.5 Explain methods to avoid limiting factors from occurring in the future
2. Be able to calculate cost volume profit analysis for decision making	2.1 Understand the concept of a breakeven point 2.2 Calculate a breakeven point 2.3 Explain margin of safety 2.4 Calculate the margin of safety 2.5 Explain short term decisions that can be made using break even points and margin



of safety

<p>3. Be able to influence short term business decisions</p>	<p>3.1 Explain short term decisions a business may be required to make</p> <p>3.2 Calculate cost per unit from information given and product forecasts using the following: Fixed costs Variable costs Semi-variable costs Semi-fixed (stepped) costs</p> <p>3.3 Explain how forecasts and budgeting are linked to short term decision making</p> <p>3.4 Describe other information that can assist a business in its short term decision making</p> <p>3.5 Explain the role that stakeholders play in short term decision making</p> <p>3.6 Explain the need to escalate certain decisions to management</p>
<p>4. Be able to influence long term business decisions</p>	<p>4.1 Explain the importance to a business of being able to plan ahead by making long term decisions</p> <p>4.2 Explain the advantages and disadvantages of investment appraisal techniques in terms of long term decision making</p> <p>4.3 Calculate net present value using discounted cash flow techniques</p> <p>4.4 Discuss the advantages and disadvantages of payback periods and net present values</p> <p>4.5 Explain the role that stakeholders play in long term decision making</p>

Additional information about this unit	
Stakeholders:	
<p>Employees The learner Manager Head of Production Investment institutions Potential suppliers and customers HMRC Competitors</p>	
Unit aim (s)	This unit will provide learners with the skills and knowledge to make short term decisions in terms of financial management and understand the techniques required in long term decision making business. The unit also supports learners to understand the responsibility of individuals at different levels within the business and to ensure that important decisions are discussed with more senior personnel when appropriate.
Assessment requirements specified by a sector or regulatory body (if appropriate)	N/A
Details of the relationship of the unit and relevant national occupational standards	N/A