

AAT Bookkeeping Certificate - As easy as ABC.....

The AAT Level 2 Certificate in Bookkeeping is a qualification designed to ensure you develop sound knowledge of bookkeeping, developing the necessary practical skills to understand all areas of the subject. The qualification is ideally suited to a diverse range of people from school leavers to mature learners and career changers, whether they wish to embark on a career in bookkeeping or expand their skills in their current role. This course has been developed by the Association of Accounting Technicians (AAT) in conjunction with education software specialists EQL International Ltd.

How is the course delivered?

The learning programme is delivered via our Virtual learning Environment. This is available 24 hours a day, 7 days per week. You will be issued a Username and Password when you enrol, which will allow you access to the ABC section of the site.

Within the ABC section, you will find

The interactive bookkeeping programme. Within this programme there is a reporting function that allows you (and us) to monitor your progress in the self test sections. Additional question banks developed by to provide additional support for your learning.

In addition, we will send you a copy of the ABC workbook. This mirrors the on line ABC tutorial package and allows you to have at hand a copy of the questions and your answers.

And, naturally, there is also a telephone and email support service.

What will I learn?

The course has been split in to three units for ease of learning. Each unit contains a set of self test questions for you to assess how well you are progressing. There is an additional bank of questions which you can submit online, to get immediate feedback on how you are progressing. The units are shown below.

Unit 1 - Introduction to bookkeeping

This unit covers the double entry recording of transactions up to trial balance and the production of the profit and loss account and balance sheet from trial balance.

Traditional T-accounts are used, as well as journal entries in a typical computer format. No previous knowledge of accounting is required.

By the end of "Introduction to bookkeeping", you will have learned to record transactions in double entry terms, extract a trial balance and prepare a simple set of account for a sole trader.

The unit is split up into 6 modules.

Module 1 - Introduction to Business

The objectives of this module are - to ensure you become aware of different types of businesses; understand various categories of business transactions (particularly the difference between cash and credit); know what information may be found on invoices and credit notes; become familiar with other financial documentation; become aware of transactions relating to the financing of a business.



Module 2 - Double entry - balance sheet

The objectives of this module are - to help you understand the classification of balance sheet items into assets, liabilities, capital and realise how these items are linked by the accounting equation; show you that every transaction has a dual effect; how you can record double entry transactions in balance sheet accounts; give you awareness of the business entity and dual aspect concepts.

Module 3 - Balancing off accounts, trial balance

The objectives of this module are - to show you how to calculate the balance in an account and draw up a trial balance.

Module 4 - Double entry - profit and loss account

The objectives of this module are - to ensure you understand the classification of profit and loss account items into income and expenses, show that the net figure of income less expenses (i.e. profit) goes to increase capital and how to record double entry transactions in profit and loss accounts as well as balance sheet accounts.

Module 5 - Profit and loss account and balance sheet (1)

The objectives of this module are - to ensure you understand the calculation of gross profit, are able to make the adjustment for closing stock and able to draw up a profit and loss account and a simple balance sheet.

Module 6 - Profit and loss account and balance sheet (2)

The objectives of this module are - to ensure you are able to classify in to fixed and current, and liabilities in to current and long-term, able to draw up a profit and loss account and balance sheet in a commonly used format and understand the significance of various totals on the balance sheet.

Unit 2 - Accounting adjustments

This unit covers specific double entry techniques using the knowledge of double entry, learned in the first unit. Topics such as accruals and prepayments, fixed assets and depreciation, leasing, loans and hire purchase are all dealt with within this unit.

By the end of "Accounting adjustments", you will have learned how to process most types of common transactions and adjustments and be able to produce a more complex set of accounts for a sole trader.

The unit is divided in to 6 modules, which follow on from Unit 1.

Module 7 - Nominal ledger and adjustments

The objectives of this module are - to ensure that you become familiar with the contents of the nominal, sales and purchase ledgers, understand some of the different types of ledgers kept in practice, realise that several accounting adjustments are required before a set of accounts can be prepared, know how various errors affect the trial balance and which types of error will not be possible in a computerised system and appreciate the importance of the distinction between capital and revenue expenditure.



Module 8 - VAT

The objectives of this module are - to ensure that you know the basic rules of VAT and understand the accounting entries required to record VAT.

Module 9 - Accruals and prepayments

The objectives of this module are - to ensure that you understand the accruals concept, are able to calculate the amount of an accrual and prepayment, are able to record accruals and prepayments in the books by means of journal entries and understand the subsequent reversal of prepayments and accruals.

Module 10 - Wages and salaries

The objectives of this module are - to ensure that you understand the basis of the UK deduction system for tax and national insurance, are able to record the various elements of pay in the appropriate ledger accounts and become familiar with the use of a *wages control* account in a computerised system.

Module 11 - Fixed assets and depreciation

The objectives of this module are - to ensure you understand the reason for depreciation, are able to compute depreciation using straight-line and reducing balance methods, know how to record depreciation in accounts, are able to record the disposals of assets and are aware of various underlying accounting concepts and conventions.

Module 12 - Leasing and hire purchase

The objectives of this module are - to ensure that you are aware of the different ways in which an asset purchase may be financed, understand the difference between operating leases and finance leases and know how to record acquisition of an asset on hire purchase and the subsequent repayments.

Unit 3 - Practical Bookkeeping and Final Accounts

This unit covers the recording of transactions in the primary records of businesses and the posting of the ledgers from the books of original entry. The final lesson looks at the financial statements of different types of businesses - clubs and societies, partnerships and limited companies.

By the end of "Practical Bookkeeping and Final Accounts", you will be familiar with the more practical aspects of day to day bookkeeping and the contents and format of the final accounts of different types of organisations.

This unit follows on from Unit 2 and comprises of 6 modules.

Module 13 - Nominal ledger and adjustments

The objectives of this module are - to ensure that you become familiar with the information kept in sales and purchase ledgers, understand the postings from sales and purchase daybooks to sales and purchase ledgers, understand the corresponding postings to the nominal ledger, in particular to the *sales ledger control* and *purchase ledger control* accounts and appreciate the difference in operations between computerised and manual systems.



Module 14 - Receipts and payments

The objectives of this module are - to ensure that you are familiar with the different ways in which:

- Receipts might come in to a business
- Payments can be made by a business

Ensure that you know how to lodge receipts in to bank account and make payments from it, become familiar with the documentation relating to receipts and payments and understand that effective control must be exercised over both the receipts and payments in a business.

Module 15 - The cash book

By the end of this module you will - be able to record bank receipts and payments in the cash book, understand the postings from the cash book to the ledgers in a manual system, realise that the postings will be different in an integrated computerised system, know how to deal with cash discounts and understand the keeping of petty cash using the imprest system.

Module 16 - Bank reconciliation

By the end of this module you will - be aware of the differences to expect when comparing a cash book against the bank statement, know how and when to correct the cash book / nominal ledger and be able to prepare a bank reconciliation.

Module 17 - Control accounts and bad debts

By the end of this module you will - know how to write off bad debts and record contras between sales and purchase ledgers, know how to make and adjust provision for doubtful debts and why this may be necessary, be aware of the need to exercise prudence in situations of uncertainty, be able to correct differences between the control accounts and the subsidiary ledgers and realise that many differences between the control accounts and the corresponding lists of balances cannot occur in a computerised system.

Module 18 - Final accounts

The objectives of this module are - to ensure that you understand the differences between receipts and payments accounts and income and expenditure accounts, are aware of the differences in the accounts of sole traders and partnerships, understand a company's share capital reserves and long-term liabilities, know how a company's internal accounts are drawn up and are aware of the format of published accounts and the legislation governing them.

