

## Intermediate Bookkeeping

Students will learn about the following aspects of bookkeeping:

### VAT Returns

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

### 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 and 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

- 1) Correct errors in the accounts including those involving the suspense account

### Bank Reconciliation Statements

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

### Trading and Profit and Loss Account for a Sole Trader

- 1) Explain their purpose
- 2) Prepare them from
  - i) Ledger accounts
  - ii) Trial balances
  - iii) Lists of balances
- 3) Derive and explain
  - i) Gross profit (or loss)
  - ii) Net profit (or loss)
  - iii) Cost of goods sold

### 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:
  - i) Capital
  - ii) Debtors and creditors
  - iii) Fixed and current assets

### Accounting adjustments

- 1) Create ledger accounts and make an allowance for Depreciation
- 2) Create ledger accounts and make an allowance for Accruals
- 3) Create ledger accounts and make an allowance for Prepayments