

## Level III Diploma in Bookkeeping (Manual or Computerised)

Having achieved the Level II qualification in either Manual or Computerised bookkeeping, students may progress to the Level III Diploma. If applying for the Level III in Manual Bookkeeping, students must pass the Level II Certificate in Manual Bookkeeping first. If applying for the Level III in Computerised Bookkeeping, students must pass the Level II Certificate in Computerised Bookkeeping first. Students must be able to demonstrate their ability to understand and carry out the following functions:

### Data Protection

1) Demonstrate an understanding of the principles of the Data Protection Act

### Stock Valuation

Prepare stock valuations and be able to:

- explain the accounting concept relevant to stock valuation
- apply methods of FIFO and AVCO
- calculate the value of stock

### Post Trial Balance Adjustments and Provisions

1) Make correct entries within the accounts for accruals and prepayments, depreciation, the provision of doubtful debts and closure of accounts at the year end

### Disposal of Fixed Assets

1) Make correct entries in the accounts for the disposal of fixed assets including part exchange  
2) Transfer the profit or loss on the disposal of a fixed asset to the profit and loss account  
3) Calculate depreciation of remaining fixed assets after disposal (assume full depreciation in the year of acquisition and no depreciation in the year of disposal)

### Extended Trial Balance

1) Analyse and develop given information to produce an extended trial balance

### Incomplete Records

1) Calculate owner's capital account by the compilation of a statement of affairs. Calculate sales and purchases using control accounts or a similar method  
2) Using conventional book-keeping procedures, derive any other missing figures from given data  
3) Analyse and make use of given data to calculate profit by comparison of capital methods  
4) Produce a set of complete final accounts from a set of incomplete records

### Concepts

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

### Partnerships

1) Explain the legal aspects of a partnership formation  
2) Compile trading, profit and loss and appropriation accounts, together with a balance sheet for a partnership  
3) Compile partners capital and current account  
4) Apply profit sharing ratio changes to partnership accounts  
5) Produce the necessary calculations for the admission of a new partner and the retirement of a partner including treatment of goodwill

### **Manufacturing Accounts**

- 1) Prepare the manufacturing account identifying prime cost and total cost of production
- 2) Prepare a trading and profit and loss account
- 3) Prepare a balance sheet

### **Limited Companies**

- 1) Explain the nature of limited liability and company account requirements
- 2) Understand the need for maintaining a fixed asset register where applicable
- 3) Produce a set of final accounts for a limited liability company
- 4) Produce the ledger work required for the issue of shares and debentures