



English
Path



GLOBAL APPLIED KNOWLEDGE

PART OF GLOBAL EDUCATION GROUP

RECORDING FINANCIAL TRANSACTIONS

IN BRIEF

Learners explore how and why financial transactions are recorded as well as checking bank records and dealing with errors.

INTRODUCTION

The accounting or bookkeeping system is the process that provides all the information for the final accounts of a business. It is essential that accounting records are clear, concise and accurate.

In this unit, you will complete a set of accounts for a typical business. You will learn how source documents are recorded in the accounts, how to record this information into double entry ledger accounts and extract a trial balance. You will consider the importance of keeping accurate financial records, including the legal and professional obligations of a business relationship with stakeholders and the risk of fraud. You will also learn how control mechanisms such as bank reconciliation, and how control accounts are prepared and used to help keep accurate financial records. You will examine how and why errors may occur in the financial records of a business and make the necessary corrections. You will consider how these errors affect the financial statements for the business as well as understanding the wider implications of errors and inaccurate financial records for the success of a business.

This unit provides a useful opportunity to gain the practical and professional skills of working in an accounting environment, which will enable you to decide if you want to progress to further study or training in this area.

SUMMARY

Learning Aim

Undertake the accurate recording of financial transactions using the double entry accounting system

Carry out bank reconciliation as a function of accurate financial control

Construct control accounts for trade receivables and trade payables for accurate financial control

Content Area

- Types of transactions
- Double entry system
- Books of original entry
- Double entry ledger accounts and cash books
- The trial balance

- Need for bank reconciliation
- Importance of bank reconciliation

- Preparation and calculation of control accounts
- Correction of errors in the control accounts and the schedule of trade receivables and trade payables

Assessment

Draw up books of original entry and make entries, including purchase, sales, returns, cash and bank transactions.

Draw up double entry accounts and extract the trial balance. Draw up and make entries to a bank reconciliation statement from a given set of financial data.

Write a report to analyse the importance of bank reconciliation statements, along with a series of reports on control accounts and implication of errors.