



# AAT

## The Business Environment Synoptic Assessment

### Pocket Notes

These Pocket Notes support study for the following AAT qualifications:

AAT Level 2 Certificate in Accounting

AAT Level 2 Certificate in Bookkeeping

AAT Certificate in Accounting at SCQF Level 6



**CONTENTS**

	Page Number
A guide to the assessment .....	1
<b>Introduction to Bookkeeping</b>	
<b>Chapter 1</b> Books of prime entry .....	9
<b>Chapter 2</b> Double entry bookkeeping – an introduction.....	25
<b>Chapter 3</b> Ledger accounting.....	31
<b>Chapter 4</b> Accounting for credit sales, VAT and discounts.....	43
<b>Chapter 5</b> Accounting for credit purchases, VAT and discounts .....	47
<b>Chapter 6</b> Control accounts and subsidiary ledgers .....	51
<b>Chapter 7</b> Receipts and payments.....	67
<b>Principles of Bookkeeping Controls</b>	
<b>Chapter 8</b> Errors and suspense accounts.....	91
<b>Chapter 9</b> Control account reconciliations .....	103
<b>Chapter 10</b> Payroll procedures .....	125
<b>Chapter 11</b> Bank reconciliations .....	133

chapter

# 1

## Books of prime entry

- Introduction.
- Sales day book.
- Sales returns day book.
- Purchases day book.
- Purchases returns day book.
- Cash receipts book.
- VAT.
- Cash payments book.
- Discounts allowed day book.
- Discounts received day book.
- Petty cash book.

## Introduction

Rather than entering each individual transaction into the ledger accounts as they happen, books of prime entry are used to record transactions/documents of the same type before they are processed further.



## Sales day book

- list of invoices sent out to credit customers
- date
- invoice number
- customer name/account code
- invoice total analysed into net, VAT and gross (total)
- information copied from sales invoices
- before further processing, must be totalled
- totals can be checked by cross casting  
 $£3,794.14 + £758.82 = £4,552.96$ .

Sales Day book						
Date	Invoice No	Customer Name	Receivables ledger code	Total (gross) £	VAT (20%) £	Net £
12/08/X3	69489	TJ Builder	RL21	2,004.12	334.02	1,670.10
12/08/X3	69490	McCarthy & Sons	RL08	1,485.74	247.62	1,238.12
12/08/X3	69491	Trevor Partner	RL10	1,063.10	177.18	885.92
				4,552.96	758.82	3,794.14

## Cash receipts book

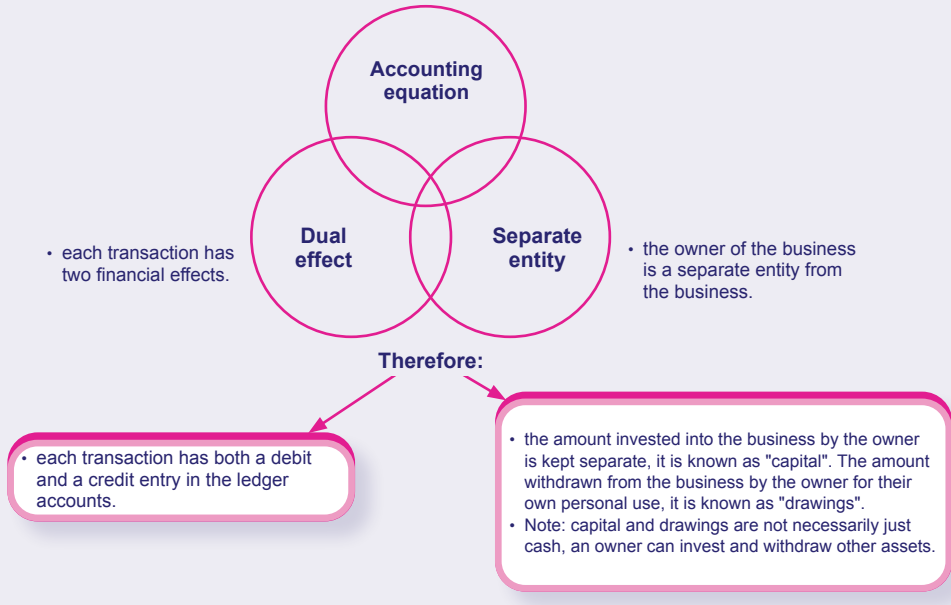
The cash receipts book records all money received into the business bank account for whatever reason.

Cash receipts book						
Date	Narrative	Total £	VAT £	Receivables £	Cash sales £	Sundry £
3 Jul	A Brown	20.54	3.42		17.12	
5 Jul	S Smith & Co Ltd	9.30		9.30		
	P Priest	60.80		60.80		
	James & Jeans	39.02	6.50		32.52	
	LS Moore	17.00		17.00		
6 Jul	L White Ltd	5.16		5.16		
7 Jul	M N Furnishers Ltd	112.58				112.58
	R B Roberts	23.65		23.65		
	Light and Shade	86.95		86.95		
		<u>375.00</u>	<u>9.92</u>	<u>202.86</u>	<u>49.64</u>	<u>112.58</u>

Date of receipt

Details  
of  
receiptTotal of  
receiptsTotal VAT  
on cash  
salesTotal  
receipts from  
receivablesTotal  
receipt for  
cash salesTotal receipts  
from sundry  
income

## Principles of double entry bookkeeping





You are viewing a sample

**Interested in the full version?**