



LCCI

International
Qualifications from EDI

Level 2 Book-keeping and Accounts Teachers' Toolkit (Sample)

January 2010

For further
information
contact us:

Tel. +44 (0) 8707 202909
Email. enquiries@ediplc.com
www.lcci.org.uk

INTRODUCTION

Welcome to the Teachers' Toolkit for Level 2 Book-keeping and Accounts.

This Teachers' Toolkit is a set of inter-related materials, developed by experienced teachers and the Chief Examiner, to support the teaching and learning of the qualification content.

The main resource in the toolkit is a Scheme of Work, which gives you examples of how to plan the course and teach the content. It provides a logical sequence for teaching the syllabus topics, highlighting the key points to emphasise and provides you with guidance on formative assessment and exam preparation to help you and your students to succeed in the qualification. The Scheme of Work is enhanced by the range of integrated innovative materials provided in the Appendices.

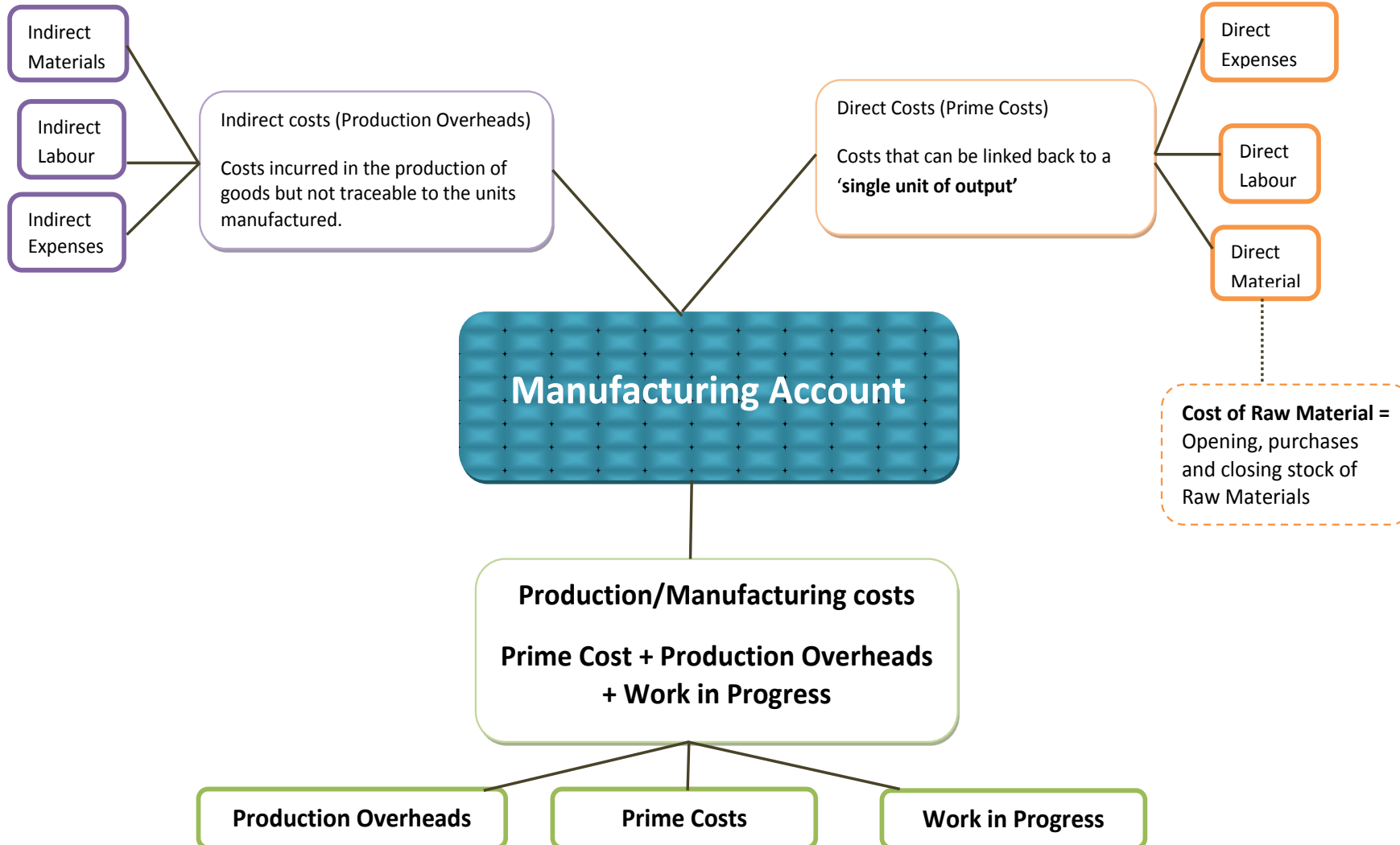
The information and resources provided in this toolkit are suggestions only. You can use them as you see fit, amending and adapting the content to suit your teaching style and students' needs. Additionally, the Scheme of Works provides a good base for you to develop your lessons plans.

It is important to remember that the syllabus is the document on which the examination is based and specifies what content and skills need to be covered in the course delivery. Therefore, at all times the information and resources provided in the Teacher's Toolkit should be read in conjunction with the syllabus.

Bear in mind that there are other support resources available freely on our website to help you. Resources available include past papers, sample papers and the Annual Qualification Review.

SCHEME OF WORK

| Qualification Title: Level 2 Book-keeping and Accounts | | Topic: Manufacturing Accounts | | |
|--|--|---|---|--|
| Syllabus Reference: 5 | Suggested Teaching Time: 5 hours | Timeframe: Week _____ of _____. | | |
| Teaching and Learning Methods | Resources | Key teaching points | Assessment / Monitoring methods | Exam Preparation Tips |
| <ul style="list-style-type: none"> ▪ Students to read Chapter 13 before the lesson ▪ Interactive lecture using the Mind Map to introduce the concept of the manufacturing account and the classification of cost. ▪ Group work using Cost Classification worksheet and group discussion to check understanding. ▪ Teacher led explanation, using Chapter 13, on the preparation and presentation of manufacturing accounts ▪ Teacher-led explanations and problem solving on the preparation of Manufacturing, Trading and Profit and Loss Accounts and Balance sheet using exercises /practice questions from Chapter 13 ▪ Individual and group problem solving of exercises and practice questions in Chapter 13 and past papers (either in class or as homework). | <ul style="list-style-type: none"> ▪ Chalk/White board ▪ Passport to Success Book - Chapter 13 ▪ Cost Classification Worksheet ▪ Manufacturing Account Mind Map <p>Past papers</p> <ul style="list-style-type: none"> ▪ Question 1 – Series 2 2006 (Hong Kong) ▪ Question 1 – Series 3 2006 ▪ Question 3 – Series 2 2008 (New Syllabus) ▪ Question 5 – Series 2 2008 (Hong Kong) (New Syllabus) | <p>Teacher should emphasise:</p> <ul style="list-style-type: none"> ▪ that the basic principles of 'Double Entry' underpin the progression of all accounting principles. ▪ the double entry relationship between the manufacturing account and the trading account. ▪ that only items relating to 'Finished Goods' are included in the Trading and Profit and Loss Account. ▪ the importance of learning the cost accounting terms and concepts: direct/indirect; fixed/variable, prime costs & overheads. Types of cost (Labour, Material and Expense) ▪ that the Manufacturing account relates to 'costs' only. ▪ the principles underpinning the 'manufacturing profit' and 'Provision for Realised Profit' account and should spend more time on this to ensure students understanding ▪ the concept of 'work in progress' and how it is treated depending on how it is to be valued | <ul style="list-style-type: none"> ▪ Question & Answers ▪ Teacher Observation ▪ Teacher Resource CD Rom - Multiple choice questions pages 27-28 ▪ Quizzes ▪ Peer to peer feedback ▪ Past papers | <ul style="list-style-type: none"> ✓ Factory overheads are added to prime cost not subtracted ✓ Identify and label all key sub-totals e.g. Prime Costs ✓ Clearly show how increases and decreases affect the Profit and Loss Account. ✓ Show all workings and calculations as marks can be gained for application Write titles out in full |



Level 2 Book-keeping and Accounts

Manufacturing Accounts Quiz

Instructions: Tick the correct box to show whether the each cost is a part of prime cost or production overhead.

| Place a tick in the appropriate Box (s) | Prime Cost | Production Overhead |
|--|--------------------------|--------------------------|
| 1. Writing off bad debts | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Direct wages of Machine Operative | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Payment of Taxes | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Heating and lighting | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Purchase of direct raw materials | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Purchase Managers wages | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Cleaner for factory unit and offices | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Direct wages of Factory worker | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Paint used to repair factory walls | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Direct Materials used in manufacturing goods | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Insurance of plant machinery | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Account clerks wages | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Oil can for machinery | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Direct expenses incurred to produce goods | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Fuel for Salesmen vehicles | <input type="checkbox"/> | <input type="checkbox"/> |

Level 2 Book-keeping and Accounts

Manufacturing Accounts Quiz

Instructions: Match the accounting term on the left with the appropriate statement on the right.

| Accounting Term | Statement |
|--|--|
| 1. Direct Materials | a. The sum of prime costs and production overheads |
| 2. Indirect Labour | b. Expenses not directly traceable to production of output |
| 3. Production Overheads | c. Cost of raw materials used in finished product |
| 4. Indirect Expense | d. Materials not directly traceable to production of output |
| 5. Direct Expense | e. The sum of indirect costs: labour/materials/expense |
| 6. Cost of Production/Manufacturing | f. Labour/staff not directly involved in production of goods |
| 7. Direct Labour | g. The sum of direct costs: labour/materials/expense |
| 8. Indirect Materials | h. Costs incurred for management, legal charges, stationary etc |
| 9. Prime Cost | i. Non labour and material cost identified with producing finished product |
| 10. Selling and Distribution overheads | j. Costs incurred for commission, carriage, advertising etc |
| 11. Administration overheads | k. Labour required for producing finished product |

EDI

International House
Siskin Parkway East
Middlemarch Business Park
Coventry CV3 4PE
UK

Tel. +44 (0) 8707 202909

Fax. +44 (0) 2476 516505

Email. enquiries@ediplc.com

www.ediplc.com



International
Qualifications from EDI