

# Computerised Accounting

## Learning Area Overview



### Welcome to this learning area overview for Computerised Accounting, prepared by AAT.

In this overview we'll explain what Computerised Accounting is all about, and how it fits into the bigger picture of the AAT Accounting Qualification.

We'll explore the main topics you can expect to cover, and how the knowledge and skills you'll pick up will be of practical use to you in the workplace.

Finally, we'll explain how this learning area relates to the others you've already studied, and those you'll study in the future.

### What you'll learn in Computerised Accounting

In Computerised Accounting you'll learn how to use a computerised accounting package to input and process data for business transactions, and prepare management and period end reports.

This learning area is designed to allow the use of any accounting software package, and is normally assessed through an AAT project which you can complete over a period of time.

Alternatively, there's the option to provide workplace evidence which will be assessed locally by your training provider.

There are three main strands to the Computerised Accounting learning area.

1. Making sure you can access, enter and edit accounting information.
2. Ensuring you're able to select and use tools and techniques to process business transactions.
3. Understanding how to produce accounting documents and summary reports to meet the specific information requirements of an organisation.

When it comes to the first element — how you go about inputting information into a computerised accounting application — you'll need to understand what source documentation to use to enter data on the computer. You'll also be expected to demonstrate that you can set up, use and amend a variety of records and ledger accounts.

In addition, you'll need to develop an appreciation of the risks organisations have to deal with in terms of data security. For this aspect you'll learn about the requirements of the Data Protection Act, and the importance of backing up data at regular intervals.

The second strand of this learning area is about being able to select and apply tools and techniques to process business transactions.

Here, you'll learn to post entries to record sales and purchases, and also invoices and credit notes, in batches or individually.

Furthermore, you'll learn how to post payments received from credit customers, and payments made to credit suppliers. Payments may be in the form of cash, cheques or automated payments.

Clearly it's important that all business transactions are processed accurately. As a result you'll learn how to deal appropriately with any problems or errors that arise.

In the third element of Computerised Accounting, in which you need to produce accounting documents and summary reports, you'll need to be familiar with who it is that requires accounting data, and in what form.

Although this will mainly be information for use within the organisation, and will cover such things as day books, ledger accounts and other accounting documents, it may also include information supplied to third parties — for example, statements of accounts for credit customers and letters to customers regarding overdue balances.



## How Computerised Accounting will help you in the workplace

Nowadays virtually all organisations use some form of computerised accounting software. Larger organisations often have their own bespoke computer based accounts applications, while smaller organisations are more likely to use a product produced by one of the well known accounting software companies.

If you work in the accounts department of any commercial or public sector organisation, there's a very good chance that at least some of the work you do will involve contact with your employer's computerised accounting application. Indeed, many AAT members will spend a significant part of their working day using accounting software, especially if their role encompasses processing sales and purchase ledger transactions or payroll entries.

AAT members working for firms of accountants are also likely to come across accounting software in their work. This is because they'll probably be involved in preparing final accounts or, alternatively, auditing the final accounts of clients who have done all of the bookkeeping work using a computerised accounts package.

It may also be because many firms of accountants tend to act as agents for the well known accounting software houses, and an established part of many accountancy practices' business is now providing hands on help and training support to clients who use these applications.



## How Computerised Accounting relates to the other learning areas

Computerised Accounting is one of the five compulsory learning areas at level 2. The other four are:

- Basic Accounting I
- Basic Accounting II
- Basic Costing
- Work Effectively in Accounting and Finance.

Computerised Accounting is linked to virtually every other learning area – not just at level 2, but throughout the qualification. Computerised Accounting develops skills in using accounting software for many of the activities covered in both financial accounting and, to a lesser extent, management accounting. As a result it complements what you'll be learning about in these areas using manual systems.

The two financial accounting learning areas at level 2 are Basic Accounting I and Basic Accounting II. The management accounting learning area at level 2 is Basic Costing.

Basic Accounting I and Basic Accounting II provide you with a solid grounding in the core elements of basic bookkeeping and accounting that form the basis of “outward looking” financial accounts.

Basic Costing is primarily concerned with how to produce “inward looking” management accounts.

Although Computerised Accounting is often thought of as being more directly related to producing financial accounts than management accounts, there are still many aspects of costing, and management accounting generally, that use information most easily captured by an organisation's accounting software.

There are further financial accounting and management accounting assessments at both levels 3 and 4 of the AAT Accounting Qualification. What you learn in Computerised Accounting will be relevant to what you study in these later learning areas as well.

Work Effectively in Accounting and Finance encourages you to develop a range of transferable workplace skills that are essential for all finance professionals, regardless of whether you're working independently or as part of a team. This learning area covers basic numeracy as well as literacy and interpersonal skills, and is designed to work alongside the other more technical units at level 2.