

**THE TRAINING PLACE OF EXCELLENCE**  
**Working Effectively in Accounting and Finance**

**Sample Answers**

**1. Understand the accounting or payroll function within an organisation**

1.1

Complete	✓
Timely	
Accurate	✓

1.2

	Accounting	Finance
Obtaining a bank loan for business expansion		✓
Processing the VAT Return	✓	
Writing up the cash book	✓	
Arranging the leasing of company cars		✓
Drawing up a bank reconciliation statement	✓	

1.3

	Management Accounting	Financial Accounting
Drawing up budgets	✓	
Producing the trial balance		✓
Calculating the costs of producing a product	✓	
Financial planning for the future	✓	
Managing the accounts of trade receivables		✓

1.4 Which of the following might be typical tasks involved in payroll?

- ✓The calculation of gross pay
- ✓The calculation of tax, National Insurance and other deductions
- ✓Preparing payslips
- ✓Making up wages, or preparing data for direct credit (BACS)
- ✓Distributing payslips to employees

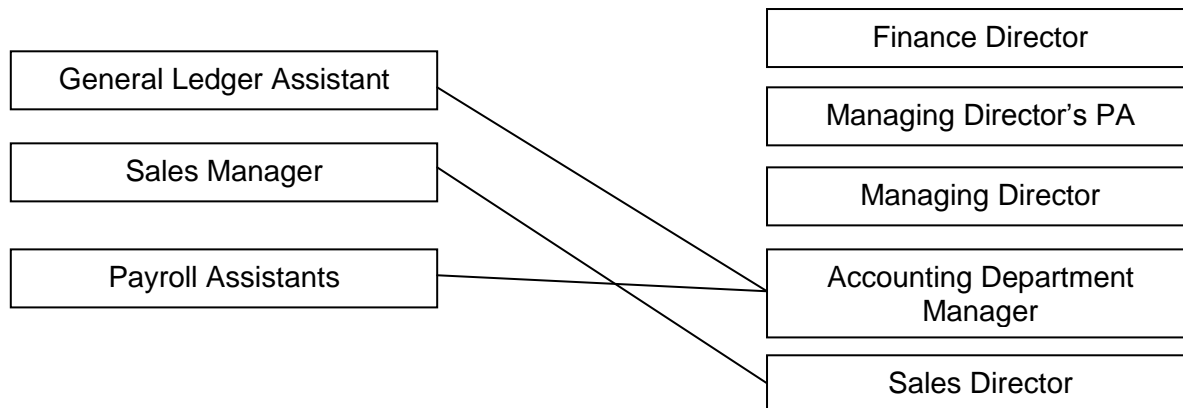
1.4 An external auditor is:

(a) An inspector employed by HM Revenue & Customs who checks the accounts of a business	✓
(b) An independent accountant appointed by a business who checks the accounts of that business	✓
(c) An employee in the Accounts Department of a business who checks the accounts of that business	
(d) An employee of the local Environmental Health Department who checks the noise levels in the workplace	

1.5

Fiona Robin (Finance Director)	Managing Director
Don Everdene (Payroll Line Manager)	Accounts Manager
David Barry (Sales Ledger Assistant)	Accounts Line Manager

1.6



## Efficiency and regulation in the workplace

1.8 Which two of the following are elements of efficiency?

Minimum wastage

Achieving objectives with minimum use of resources

1.7

(a) Keeping cash on the premises under lock and key at all time	✓
(b) The organisation being able to pay debts when they are due	✓
(c) Ensuring that the organisation always has an overdraft at the bank	
(d) Ensuring that all internal disputes are resolved at the appropriate level	

1.8

(a) Chasing up late payments due from customers	✓
(b) Completing the VAT Return on time to avoid a fine	✓
(c) Paying employee wages direct to the bank by BACS rather than in cash	
(d) Giving customers a longer credit period in which to pay their invoices	
(e) Paying money received from customers into the bank promptly	✓
(f) Settling up invoices from suppliers as quickly as possible	
(g) Negotiating long credit terms with suppliers	✓

1.9

✓

(a) Quality control in production	
(b) Employee code of conduct	✓
(c) Energy saving instructions and guidance	✓
(d) Guidance for lifting of heavy packages	

**1.10** Employers are bound by the **Health & Safety at Work Act** which ensures that the workplace is a safe place in which to work. The **Working Time Regulations** also affect employers and set down restrictions on the hours that employees will be expected to work. The **Minimum Wage** protects employees by setting out the lowest amounts employers are allowed to pay their employees. Confidentiality is important in the workplace and this principle is supported in law by the **Data Protection Act**.

1.11

Data on computer server is **Backed up** daily.

**Passwords** containing both letters and numbers are required to access accounting systems

All computers are installed with up to date **Anti-virus software**

## 2. Demonstrate a range of effective communication skills

2.1

- (a) 176
- (b) 175
- (c) 176
- (d) 176
- (e) 176
- (f) 175

2.2

- (a) 31.46
- (b) 31.45
- (c) 31.44
- (d) 97.77
- (e) 97.74
- (f) 97.71

2.3

- (a) 1/2
- (b) 50%
- (c) 1:1
- (d) 2/3
- (e) 67%

2.3

Amount on receipt £	VAT amount £	Net amount £
(a) 36.00	6.00	30.00
(b) 102.00	17.00	85.00
(c) 10.74	1.79	8.95
(d) 21.48	3.58	17.90
(e) 11.40	1.90	9.50
(f) 378.00	63.00	315.00

**2.4**

**(a) You are to** enter the VAT amount – after adjustment for settlement discount – in the table below.

Amount (£)	VAT charged (£)
(1) 1,250.00	237.50
(2) 495.20	94.08
(3) 845.60	160.66
(4) 45,923.00	8,725.37
(5) 12.00	2.28

**(b) You are to** complete the table below with the total invoice amounts that would be paid:  
 – within the early settlement period  
 – outside the early settlement period (later settlement)

Early settlement invoice total (£)	Later settlement invoice total (£)
(1)	
(2)	
(3)	
(4)	
(5)	

**2.5** 'Its' or 'It's'? These words often get mixed up. You are to study the four sentences below and tick the **two** correct uses of the words.

(a) Its time to watch TV	✓
(b) It's time to do some revision	
(c) I love coffee; it's aroma makes me think of dark rich chocolate	
(d) I love coffee; its aroma makes me think of dark rich chocolate	

**2.6** 'Too' or 'to' or 'two'? These words often get mixed up. You are to study the four sentences below and tick the **two** correct uses of the words.

(a) To study accounting is too difficult and learning to drive is too	✓
(b) To study accounting is to difficult and learning to drive is too	
(c) To lose one set of keys is bad luck but to lose two sets of keys is a disaster	
(d) To lose one set of keys is bad luck but too lose to sets of keys is a disaster	

2.7 'There' or 'their' or 'they're'? These words often get mixed up. You are to study the five sentences below and tick the **two** correct options ✓

(a) Their is no point worrying about their chances of winning their game	
(b) There is no point worrying about their chances of winning their game	
(c) There seems to be some misunderstanding whether they're eligible or not	
(d) They're seems to be some misunderstanding whether they're eligible or not	
(e) Their seems to be some misunderstanding whether there eligible or not	

2.8 What would be the most appropriate method of communication in each of the following circumstances? Choose from the pick list below. ✓

a. Explaining to a customer that a cash discount that has been deducted was not valid, as the invoice was not paid within the discount period	
b. Requesting customer balances from a colleague in the sales ledger department	
c. Providing negative feedback to a colleague on the quality of their work	
d. A formal complaint to a supplier regarding the delivery times of goods, which are not as agreed	
e. Information to be provided to the sales director regarding the breakdown of sales geographically for the last two years	

**Pick List**

- Email
- Telephone
- Letter
- Face to Face discussion

2.9 A junior colleague shows you a draft of an email to the Purchasing Director of a company which has recently expressed an interest in your products. He asks you to identify any words or phrase you think are inappropriate. The draft appears as follow.

To: [hgwells@retail.com](mailto:hgwells@retail.com)  
 From: [acdoyle@southfield.co.uk](mailto:acdoyle@southfield.co.uk)  
 Date: [Today's Date]  
 Subject: Your recent enquiry  
 Attach: Sales brochure.pdf

Hi, Hugh.  
 Thanks for your msg re our products. Its cool that you were able to come and see our display at the Home Entertainment Trade Fair. More than happy to help with further info.  
 Our company's one of the best field and our product's have recently one an award as Retail Product of the year.  
 I've attached a brochure what details our full product range, it includes prices and terms of trade. Having received it, i will contact you to see if you'd like to place an order.  
 In the meantime, me and the sales team are available to answer any questions you may have, it'd be gr8 to hear from you.  
 Cheers  
 Arthur

- (a) Underline any inappropriate words or phrases in the email.  
(b) Re-draft the email and make a note of how you would explain your changes to Arthur, to help him improve his communication skills.

A more appropriate e-mail would be

To: [hgwells@retail.com](mailto:hgwells@retail.com)  
From: [acdoyle@southfield.co.uk](mailto:acdoyle@southfield.co.uk)  
Date: [Today's Date]  
Subject: Your recent enquiry  
Attach: Sales brochure.pdf

Dear Mr Wells,

Thank you for your enquiry about our products. I am glad that you were able to come and see our display at Home Entertainment Trade Fair, and I would be more than happy to help with further information.

Our company is one of the best in the field, and our products have recently won an award as Retail Product of the year.

I have attached a brochure which details our full products range. It includes prices and terms of trade. Once you have received it, I will contact you to see if you would like to place an order.

In the meantime, the sales team and I are available to answer any questions you may have. We would be glad to hear from you.

Thank you again for your enquiry.

Arthur Doyle

Southfield Electronics

[NB Use the standard signature block for outgoing emails]

**(b) Note for explaining changes to Arthur**

Arthur, I've just made a few amendments to your draft email, as you requested. For future reference:

- It is better to use a more formal style with senior individuals and new customers. Don't use first name terms unless they've asked you to.
- Avoid familiar expressions (like 'cheers'), and keep to a more formal written style (eg 'I have' instead of 'I've')
- In business communications, avoid text- message style abbreviations (like 'msg', and 'gr8') and colloquial expression (like 'cool').
- Remember to check your work for typos (like 'available') and spelling or grammar related errors (like 'one' instead of 'won')
- You might want to make sure you write in full sentences (which contain a verb and end in full stop), and look out for errors with clauses and apostrophes.

**2.10** The business you work for ordered five laptop computers with a list price of £500 each (order ref NCA124). During a phone conversation on 1 May 20X4 you were promised a 5% bulk discount by an account manager at the supplier (Bell Computers) if you purchased five or more laptops. The account manager at the suppliers is called Bills Fences.

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The laptops arrived today (20 May 20X4) and so did the invoice from the supplier (invoice number LT241). The invoice shows the total value of the computers to be £2500 and the 5% discount had not been deducted. You have tried phoning Bill but he is out of the office today.

You are on holiday for the rest of the week and are not going to be able to deal with this so your supervisor Hugh Martin has asked you send him a short memo explain what happened with any photocopies of related documents attached. He will then contact the supplier to ask for a credit note and a new invoice.

Complete the memo below by selecting the appropriate option from the appropriate picklist, or entering the appropriate reference or number. A dropdown icon indicates there is picklist available and each picklist is numbered. (if there is no dropdown icon you must simply enter the reference/number.)

### MEMO

To: **(1)** \_\_\_\_\_

From: Anne Accountant, Accountant

Date: **(2)** \_\_\_\_\_

Subject: Bell computers: **(3)** \_\_\_\_\_ for laptops

On **(4)** \_\_\_\_\_ an order (reference \_\_\_\_\_) was placed for five laptops computers which have a list price of £ \_\_\_\_\_ each. On the same day **(5)** \_\_\_\_\_ an account manager at Bell, agreed we would receive a 5% bulk discount because the order was for five or more computers. I enclose my note my note from the phone call (including contact details for the account manager) and a copy of the order for your information.

We received invoice (reference \_\_\_\_\_) for the computers today which shows that total cost of the laptops to be \_\_\_\_\_. Therefore the anticipated discount of £ \_\_\_\_\_ has not been applied and we should request that Bell send us a credit note for the original invoice and re-issue a new invoice with the discount applied.

Many thanks for dealing with this.  
Anne

Enc: Copies of the order and invoice  
Notes of phone call on 1 May 20X4

#### Pick list

- (1) Hugh Martin, Accounts supervisor / Bills Fences, Account Manager
- (2) 1 May 20X4 / 20 May 20X4 / 31 May 20X4
- (3) UnderCharge / Overcharge
- (4) 1 May 20X4 / 20 May 20X4 / 31 May 20X4
- (5) Hugh Martin / Bill Fences

**2.11** You are writing an email to the Finance Manager of a customer of your business. His name is Antonio Gelato and you are setting up a meeting between him and your own Finance Manager. It would be best to sign off the email with the following wording:

(a) Yours faithfully	<input type="checkbox"/>
(b) Regards	<input type="checkbox"/>
(c) C U soon	<input type="checkbox"/>

Tick the most appropriate option.