

5.3 DOUBLE ENTRY BOOKKEEPING (Section 8.3.1)

This section should be adequately covered in order to avoid difficulties which may arise at a later stage. A knowledge and understanding of the Double Entry system is an essential foundation for this course. It is especially necessary before introducing Control Accounts, Suspense Accounts, Final Accounts and Balance Sheet.

Students should be introduced to all of the following:

- Source Documents – Invoice, Debit Note and Credit Note
- Day Books (including Journal)
- Cash/Bank Accounts
- Posting to Ledger
- Extracting a Trial Balance
- Limitations of a Trial Balance
- Distinction between Capital and Revenue
- Effect of errors on Net Profit and Balance Sheet
- The basic rules of SSAP 5 VAT
- Pay As You Earn
- Pay Related Social Insurance
- Accruals
- Prepayments
- Bad Debts Provision
- Bad Debts Recovered
- Depreciation (straight line and diminishing balance)
- Appreciation/Revaluation
- Purchase and sale of assets

Students will be assessed on their ability to:

- Understand Double Entry Bookkeeping
- Interpret ledger account entries
- Apply Double Entry

As this is not a new area assessment of it will be based on the pattern and models already established at Leaving Certificate.