

Title:	Recording Basic Business Transactions
Level:	Entry Level 3
Credit value:	2
GLH:	20
Unique Reference Number:	M/652/0532
Sector Subject Area:	14.1 Foundations for Learning and Life
Aim:	The aim of this unit is to provide learners with the knowledge and understanding of how basic business transactions are recorded and why recording financial information is important in a business.
Assessment Type:	Assessment of this unit will be through an internally set and internally assessed portfolio of evidence.
Assessment Guidance:	<p>Assessment decisions for skills-based learning outcomes must be made during the learner's normal work activity. Direct observation should form a primary source of evidence and be supported, where appropriate, by discussion, annotated screenshots or photographs, saved documents, or witness statements.</p> <p>Skills-based assessment must be carried out over an appropriate period of time to ensure consistency and independence of performance.</p> <p>Evidence must confirm that the learner understands basic business transactions and can complete a simple transaction record accurately.</p>

Learning outcomes

The learner will:

1. Understand what a basic business transaction is.

Delivery content:

The aim of this learning outcome is to provide learners with the knowledge and understanding of what a basic business transaction is and how it relates to money received or spent.

The learner must demonstrate that they can:

- 1.1 Identify **what a basic business transaction** is.
- 1.2 Identify **examples of money received as a transaction**.

1.3 Identify examples of money spent as a transaction.
2. Understand why business transactions are recorded.
<p>Delivery content:</p> <p>The aim of this learning outcome is to provide learners with the knowledge and understanding of why business transactions are recorded.</p> <p>The learner must demonstrate that they can:</p> <ul style="list-style-type: none"> 2.1 Identify why business transactions are recorded. 2.2 Identify who may use transaction records in a business. 2.3 Identify problems that may occur if transactions are not recorded.
3. Understand simple ways to record business transactions.
<p>Delivery content:</p> <p>The aim of this learning outcome is to provide learners with the knowledge and understanding of simple ways to record business transactions.</p> <p>The learner must demonstrate that they can:</p> <ul style="list-style-type: none"> 3.1 Identify examples of simple transaction records. 3.2 Identify basic information recorded in a transaction record. 3.3 Identify the difference between money received and money spent in a record.
4. Be able to record a basic business transaction.
<p>Delivery content:</p> <p>The aim of this learning outcome is to provide learners with the knowledge and skills to complete a simple transaction record accurately.</p> <p>The learner must demonstrate that they can:</p> <ul style="list-style-type: none"> 4.1 Record money received in a simple transaction record. 4.2 Record money spent in a simple transaction record. 4.3 Complete a basic transaction record accurately.

<p>Scope of Training</p> <p>The Scope of Training identifies areas that must be covered during the delivery of this unit. This is the minimum that is expected but tutors are expected to include other areas, knowledge of which will benefit their learners, based on location, types of work available and from the tutors own professional experience.</p>	
<p>Requirements</p>	
<p>What a basic business transaction:</p>	<p>Definition</p> <p>A business event involving money being received or spent by a business.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • A transaction involves money moving in or out of a business. • A transaction can involve receiving money. • A transaction can involve spending money. • Transactions are part of daily business activity. • A transaction relates to goods or services. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying what a basic business transaction is. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Simple real-life business examples. • Comparing business and personal transactions. • Identifying transactions in simple scenarios. • Discussion activities.
<p>Examples of money received as a transaction:</p>	<p>Definition</p> <p>Situations where a business receives money from customers or other sources.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Sales income. • Payment from customers. • Receiving money for goods or services. • Understanding that income is a type of transaction. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying examples of money received as a transaction.

	<p>Teaching could include:</p> <ul style="list-style-type: none"> • Cash sales. • Card payments. • Online payments. • Customer invoice payments.
<p>Examples of money spent as a transaction:</p>	<p>Definition Situations where a business pays money to others as part of its operations.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Paying for supplies. • Paying wages. • Paying rent or bills. • Purchasing goods or services. • Understanding that spending is a type of transaction. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying examples of money spent as a transaction. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Utility payments. • Equipment purchases. • Stock purchases. • Service provider payments.
<p>Why business transactions are recorded:</p>	<p>Definition Understanding the reasons businesses keep records of money received and spent.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Recording transactions helps track money coming in and going out. • Records help businesses monitor income and spending. • Records support accurate financial management. • Records help businesses make informed decisions. • Records may support legal or tax requirements (at a simple level). • Learners must demonstrate:

	<ul style="list-style-type: none"> ○ Identifying at least one reason why business transactions are recorded. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Linking records to profit and loss. • Simple examples of tracking spending. • Discussion of business organisation. • Consequences of poor record keeping.
<p>Who may use transaction records:</p>	<p>Definition</p> <p>The people within a business who need access to information about money received and spent.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Business owners may use transaction records. • Managers may use transaction records. • Accountants may use transaction records. • Different roles use records for different purposes. • Records support decision-making within a business • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying who may use transaction records in a business. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Matching roles to how they use records. • Simple workplace examples. • Discussion of financial responsibility. • Exploring internal vs external users (at a simple level).
<p>Problems that may occur if transactions are not recorded:</p>	<p>Definition</p> <p>Difficulties that may occur if a business does not keep accurate financial records.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • The business may lose track of money. • Financial mistakes may occur. • Difficulty monitoring profit or loss. • Problems with paying bills or staff. • Risk of financial confusion. • Learners must demonstrate:

	<ul style="list-style-type: none"> ○ Identifying at least one problem that may occur if transactions are not recorded. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Simple case examples. • Discussion of overspending or missing income. • Linking poor records to business failure. • Group discussion activities.
<p>Examples of simple transaction records:</p>	<p>Definition</p> <p>Basic documents or systems used to record money received or spent by a business.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Identifying examples of simple transaction records. • Recognising that records may be paper or digital. • Understanding that records show money received and spent. • Recognising that different businesses may use different formats. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying examples of simple transaction records. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Cash book. • Simple spreadsheet. • Paper record template. • Sales log. • Expense log.
<p>Basic information recorded in a transaction record:</p>	<p>Definition</p> <p>Key details written down when recording money received or spent.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Date of the transaction. • Description of the transaction. • Amount of money. • Whether the money was received or spent. • Clear and accurate entry of information. • Learners must demonstrate:

	<ul style="list-style-type: none"> ○ Identifying basic information recorded in a transaction record. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Transaction reference number. • Name of customer or supplier. • Payment method. • Simple document examples.
<p>Difference between money received and money spent in a record:</p>	<p>Definition</p> <p>Understanding how income (money received) and expenditure (money spent) are recorded differently.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Money received is recorded as income. • Money spent is recorded as expenditure. • Records show money coming in separately from money going out. • Clear distinction between received and spent columns. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Identifying the difference between money received and money spent in a record. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Sorting exercises (income vs expenditure). • Highlighting columns in a template. • Practical examples of recording each type. • Comparing two example entries.
<p>Record money received:</p>	<p>Definition</p> <p>Entering details of money received into a simple transaction record correctly.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Identifying money received as income. • Entering the date of the transaction. • Recording a description of the transaction. • Recording the correct amount received. • Recording money in the correct “received” section or column. • Learners must demonstrate:

	<ul style="list-style-type: none"> ○ Recording money received in a simple transaction record. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Using a paper template. • Using a simple spreadsheet. • Practising with example scenarios. • Checking entries for mistakes.
<p>Record money spent:</p>	<p>Definition</p> <p>Entering details of money spent into a simple transaction record correctly.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Identifying money spent as expenditure. • Entering the date of the transaction. • Recording a description of the expense. • Recording the correct amount spent. • Recording money in the correct “spent” section or column. • Learners must demonstrate: <ul style="list-style-type: none"> ○ Recording money spent in a simple transaction record. <p>Teaching could include:</p> <ul style="list-style-type: none"> • Practice examples of expenses. • Using templates with separate income and expenditure columns. • Correcting incorrect entries. • Comparing received vs spent entries.
<p>Complete a basic transaction record accurately:</p>	<p>Definition</p> <p>Filling in all required parts of a simple transaction record correctly and clearly.</p> <p>Teaching must include:</p> <ul style="list-style-type: none"> • Entering all required information. • Ensuring amounts are correct. • Placing entries in the correct column. • Checking work for accuracy. • Distinguishing clearly between money received and spent. • Learners must demonstrate:

	<ul style="list-style-type: none">○ Completing a basic transaction record accurately. <p>Teaching could include:</p> <ul style="list-style-type: none">• Self-checking exercises.• Peer checking.• Timed recording activities.• Identifying and correcting common errors.
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