



# London Chamber of Commerce & Industry

Member of the IAB Group

## Qualification Specification

# LCCI Level 2 Certificate in Business Calculations

## LCCI Qualifications

LCCI qualifications are awarded by the IAB, the UK's largest awarding body offering academic and vocational qualifications that are globally recognised and benchmarked. For further information, please visit our qualifications website at <https://www.iablcci.org.uk/>

## About IAB

LCCI [qualifications](#) have been offered internationally for over 120 years and were started by the London Chamber of Commerce and Industry to meet the need for reliable, high-quality standards across international workforces.

As the way we do business evolves and becomes more fluid on a global scale the demand for internationally recognised standards has never been greater and is a sentiment that is echoed by the [IAB](#) who have been supporting financial professionals globally for 50 years.

Based on these shared values from September 2023, the IAB and LCCI will join to continue to offer and develop high-quality, professional qualifications for the finance sector and a range of other professions.

## Acknowledgements

This specification has been produced based on consultation with teachers, examiners, consultants and other interested parties. Pearson would like to thank all those who contributed their time and expertise to the specification's development.

*References to third-party material made in this specification are made in good faith. Pearson does not endorse, approve or accept responsibility for the content of materials, which may be subject to change, or any opinions expressed therein. (Material may include textbooks, journals, magazines and other publications and websites.)*

*All information in this specification is correct at the time of publication.*

## Introduction

### LCCI qualifications

LCCI qualifications are widely regarded by employers as preparing students for key functions of modern international business. The qualifications are recognised worldwide by employers, universities and professional bodies such as the Association of Chartered Certified Accountants (ACCA).

IAB LCCI offers a wide range of qualifications; they are available at Levels 1 to 4 across the following subject areas:

- Business
- Financial and Payroll

### Purpose of the specification

This specification sets out:

- the objectives of the qualification.
- any other qualification(s) that a student must have completed before taking the qualification.
- any prior knowledge and skills that the student is required to have before taking the qualification.
- any other requirements that a student must satisfy before they will be assessed or before the qualification will be awarded.
- the knowledge, understanding and skills that will be assessed as part of the qualification.
- the method of assessment and any associated requirements relating to it.
- the criteria against which a student's level of attainment will be measured.

### Rationale

The purpose of the IAB LCCI Level 2 Certificate in Business Calculations is to allow students to develop the skills they need to enable them to complete a range of business calculations manually, which replicate those that might be required in the workplace. The qualification gives students a foundation if they want to progress to the IAB LCCI Level 3 Certificate in Advanced Business Calculations.

A review of the qualification requirements at this level identified the main function of calculation in a business. This qualification therefore includes content relating to these types of calculations:

- overhead expenses
- gross and profit for the year
- job costing
- cash budgets
- wages, salaries and commissions
- partnerships

- trading documents (orders, invoices, credit notes and statements)
- currency exchange
- hire purchase and leasing
- simple and compound interest
- averages

The qualification supports students who wish to progress into assistant-level finance roles at non-finance organisations, such as retail or manufacturing businesses. It can also be used by small business owners or entrepreneurs when setting up their businesses. When used in conjunctions with other LCCI Level 2 Financial and Quantitative qualifications, the LCCI Level 2 Certificate in Business Calculations provides students with the well-rounded technical skills required to work at assistant level within the financial sector.

## **Qualification aim**

The IAB LCCI Level 2 Certificate in Business Calculations and the legacy qualification are established and valued by employers worldwide. All businesses require a range of calculations to be accurately undertaken and consequently, there is a demand for employees who possess these skills.

This qualification is intended for students who wish to gain a foundation in key business calculations, including calculating interest, averages, wages, salaries and currency exchanges. Students will also learn how to complete the calculations needed to be able to produce hire purchase and leasing agreements. Students will also develop the skills needed to produce key business trading documents, such as invoices and credit notes.

The IAB LCCI Level 2 Certificate in Business Calculations is designed for those who are working, or who are preparing to work, in a finance-related role in a wide range of business environments. The qualification is also ideal as an introduction to the basic business calculations for sole traders, small business owners and entrepreneurs who are running their own businesses.

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## Specification at a glance

The IAB LCCI Level 2 Certificate in Business Calculations consists of one online examination.

Title: LCCI Level 2 Certificate in Business Calculations	
<ul style="list-style-type: none"> <li>Externally assessed</li> </ul>	100% of the total qualification
<p>Overview of content</p> <ol style="list-style-type: none"> <li>The small business</li> <li>Wages, salaries and commission</li> <li>Partnerships</li> <li>Business trading documents</li> <li>Currency exchange</li> <li>Hire purchase and leasing</li> <li>Simple and compound interest</li> <li>Averages</li> </ol>	
<p>Overview of assessment</p> <ul style="list-style-type: none"> <li>One online, externally set and marked examination, contributing to 100% of the overall grade of the qualification</li> <li>The examination will be 2 hours.</li> <li>The examination will consist of 100 marks.</li> <li>The examination contains 30 questions.</li> <li>Students are required to answer all questions.</li> <li>Students will be graded Pass/Merit/Distinction. A result of fail will be recorded where students do not achieve the required marks for a Pass.</li> <li>The questions comprise table completion, calculations, short open-response and medium open-response questions.</li> <li>Ruler, protractor, calculator and formula sheet may be used in the examination.</li> </ul>	

## Knowledge, skills and understanding Content

To prepare students for the final assessment of this qualification, the following content must be covered.

### 1 The small business

Subject content	What students need to learn
1.1 Terminology and concepts	<p>a) Knowledge and understanding of different terminology and concepts in operating a small business:</p> <p>Gross profit, profit for the year, overhead expense, cost price, selling price, sales volume, profit margin, markup, utilities, transports, advertising, processing costs, total cost, insurance, premium, fixed charges, outsourcing, claims and settlement, turnover, budget, cash flow, forecast, deposit, borrowing.</p>
1.2 Overhead expenses	<p>a) Understanding the similarities and differences between various overhead expenses, and how, why and when they are used and their impact on profitability.</p>
	<p>b) Calculations involving:</p> <ul style="list-style-type: none"> <li>• charges for utilities, including fixed charges and per use charges</li> <li>• transport costs, including running costs of vehicles, insurance, and use of couriers/outsourcing of delivery, costs per delivery/order or per kilometer travelled</li> <li>• advertising costs, including in traditional print media, television and radio, and online</li> <li>• processing costs, including banking costs, payment processing costs and online settlement systems</li> <li>• insurance costs for buildings, contents and vehicles, considering gross premiums and premiums after discount, claims and settlement.</li> </ul>
Subject content	What students need to learn



1.3 Gross profit	a) Calculation of the level of gross profit or sales required to generate a gross profit, given suitable information.
	b) Calculation of: <ul style="list-style-type: none"> <li>• gross profit of a business over a period</li> <li>• gross profit as a percentage of turnover</li> <li>• selling price required to create a given gross profit amount or percentage.</li> </ul>
1.4 Profit for the year	a) Calculation of the level of profit for the year, or sales required to generate a profit for the year, given suitable information.
	b) Calculation of: <ul style="list-style-type: none"> <li>• total of overhead expenses</li> <li>• profit for the year</li> <li>• profit for the year as a percentage of turnover</li> <li>• profit for the year as a percentage of gross profit.</li> </ul>
1.5 Job costing	a) Knowledge and understanding of job costing, the different elements involved in the overall job costing and the effects these elements have on the job costing.
	b) Calculation of: <ul style="list-style-type: none"> <li>• individual elements of a job, to include materials and components, labour, services and overhead expenses</li> <li>• total costs of a job, or series of jobs</li> <li>• charge to be made by the supplier to generate a given level of profit.</li> </ul>
1.6 Online trading	a) Knowledge and understanding of the sales processes and costs involved in trading online.
	b) Calculation of: <ul style="list-style-type: none"> <li>• total of orders placed by customers online (simple principles)</li> <li>• costs of processing, to include website development and hosting, advertising and promotion, payment processing, pre-fulfilment and delivery.</li> </ul>
	c) Comparison of use of offline sales methods and online business.

Subject content	What students need to learn
1.7 Cash budgets	<p>a) Knowledge of various factors that impact the amount of cash available within a business and ability to manipulate information about these factors to create and interpret a cash flow forecast, given suitable information.</p> <p>Factors:</p> <ul style="list-style-type: none"> <li>• amount and period of credit offered to customers</li> <li>• amount and period of credit offered by suppliers</li> <li>• changes in sales and revenue levels</li> <li>• seasonal adjustments</li> <li>• cost of bank loans</li> <li>• availability of bank finance.</li> </ul>
	<p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>• cash flow in current trading period</li> <li>• cash flow forecast for successive periods, such as a number of future months.</li> </ul>
	<p>c) Presentation of cash budget information in correct columnar format showing net cash flow.</p>
	<p>d) Interpretation of:</p> <ul style="list-style-type: none"> <li>• requirement for borrowing for a business</li> <li>• facility for short-term deposit of funds for a business.</li> </ul>

## 2. Wages, salaries and commission

Subject content	What students need to learn
2.1 Terminology and concepts	<p>a) Knowledge and understanding of different ways in which staff may be paid in a business:</p> <p>Wages, salaries, gross pay, net pay, deductions, basic rate of pay, overtime rate, piece rate, commission, bonus, tax, social insurance, pension, outsourcing, fulfilment, time and a quarter, time and a half, double time, basic pay.</p>
2.2 Gross/net wages and salaries	<p>a) Knowledge and understanding of gross and net wages, given suitable information about deductions.</p>
	<p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>• an employer's overall salary/wage cost</li> <li>• number of hours worked by an employee, basic rate of pay, overtime pay</li> <li>• gross pay for a period, or number of hours, or for output of workers on piece rate</li> <li>• total of deductions from gross pay, including tax, insurance, and pension</li> <li>• net pay using figures for gross pay and total deductions</li> <li>• ratio of net pay to gross pay.</li> </ul> <p>Students may be required to complete a payslip.</p>
2.3 Commission	<p>a) Knowledge and understanding of different bases on which commission can be calculated. These are commission based on number of units sold, or value of goods sold, and commission at one rate for an initial number of sales, with higher or lower rate payable for additional sales.</p>
	<p>b) Calculation of:</p> <ul style="list-style-type: none"> <li>• commission payments to staff, based on percentage of sales, graduated commission, and quantity commission</li> <li>• sales generated, based on commission earned</li> <li>• changes to gross pay due to commission earned, in nominal and percentage terms.</li> </ul>

2.4 Fulfilment	a) Knowledge and understanding of different options available to businesses to perform fulfilment, administrative or customer service functions.
Subject content	What students need to learn
	b) Calculation of costs of outsourcing to complete business-related tasks, which include manufacture, packaging and delivery of products, sales and finance.
	c) Comparison of use of outsourcing to payment to own staff.

### 3. Partnerships

Subject content	What students need to learn
3.1 Terminology and concepts	a) Knowledge and understanding of different terminology and concepts in partnership businesses:  Partners, profit, capital accounts, interest on capital, division of profit, withdrawal, distribution, dissolution.
3.2 Capital	a) Knowledge and understanding of capital invested in a partnership by different partners, given suitable information.
	b) Calculation of: <ul style="list-style-type: none"> <li>• additions to or withdrawals from capital</li> <li>• interest on partners' capital</li> <li>• profit available for distribution.</li> </ul>
3.3 Division of profit	a) Knowledge and understanding of different methods for dividing profits or losses of a partnership, given suitable information (in equal amounts, in proportion to capital invested).
	b) Calculations involving: <ul style="list-style-type: none"> <li>• division of profit in equal amounts</li> <li>• division in proportion to capital invested, including explanation of advantages and disadvantages of such division to different partners</li> <li>• adjustment of profits where one or more partners is employed within the business</li> <li>• total income received by a partner from interest, distribution and salary.</li> </ul>

#### 4. Business trading documents

Subject content	What students need to learn
4.1 Terminology and concepts	<p>a) Knowledge and understanding of different documents used in a business to support sales and their appropriate use:</p> <ul style="list-style-type: none"> <li>• Retail, wholesale</li> <li>• Order, invoice, credit note, statement</li> <li>• Trade discount, cash discount, profit margin, online, amounts payable, amounts receivable, output, settlement, balance, delivery, sales tax.</li> </ul>
4.2 Trading documents	<p>a) Produce different documents used in a business to support sales, including calculation of amounts payable or receivable.</p> <p>b) Preparation and presentation of:</p> <ul style="list-style-type: none"> <li>• orders, including value of an order, based on quantities and prices; time required to complete an order, based on daily or weekly output and quantity ordered; delivery costs</li> <li>• invoices, including value of orders, trade discount as a percentage of total invoice value, and invoice total after discount</li> <li>• credit notes, considering returns from customers, including delivery costs</li> <li>• statements, based on a series of orders, including cash discount for early settlement, and total balance outstanding, and overdue amounts.</li> </ul>

## 5. Currency exchange

Subject content	What students need to learn
5.1 Terminology and concepts	a) Knowledge and understanding of how exchange of currencies can impact a business:  Currency, rate of exchange, depreciation, appreciation, commission, currency denomination.
	b) Knowledge of currencies in circulation in various parts of the world.
5.2 Rate of exchange	a) Knowledge and understanding that the rate of exchange between any two currencies may vary over time.  Knowledge and understanding that the price of internationally traded goods may increase or decrease over time.
	b) Calculation of: <ul style="list-style-type: none"> <li>• conversion of an amount of one currency to another currency at a stated exchange rate</li> <li>• exchange rate between currencies based on equal values of the two currencies</li> <li>• commission charged by agencies for conversion</li> <li>• comparison of amounts of currency converted at different rates of exchange and at different times.</li> </ul>

## 6. Hire purchase and leasing

Subject content	What students need to learn
6.1 Terminology and concepts	a) Knowledge and understanding of diverse types of purchase and leasing arrangements available to businesses:  Hire purchase, credit purchase and leasing arrangements  Deposit, balance, interest charge, instalment, early settlement, default.
6.2 Hire purchase	a) Calculation of: <ul style="list-style-type: none"> <li>• amount of deposit as percentage of cash price</li> <li>• amount of interest charged on balance outstanding</li> <li>• total amount to be repaid, and monthly or periodic instalment payments to be made</li> <li>• number of instalments to be made</li> <li>• alterations due to early settlement</li> </ul> Calculation of assets, understanding that the goods are the property of the customer following hire purchase completion.
6.3 Credit purchase	a) Calculation of: <ul style="list-style-type: none"> <li>• amount of interest payable</li> <li>• amount to be paid in monthly or periodic instalments</li> <li>• number of instalments to be made</li> <li>• amount of final payment</li> <li>• total amount to be paid</li> <li>• assets, understanding that the goods are the property of the customer once the credit purchase agreement has been signed and the customer has possession of the goods.</li> </ul>



6.4 Leasing	<p>a) Calculation of:</p> <ul style="list-style-type: none"> <li>• amount to be paid in monthly or periodic instalments</li> <li>• number of instalments to be made</li> <li>• assets, understanding that the goods are not the property of the customer following the leasing agreement</li> <li>• additional payments which may be required at the end of a leasing agreement.</li> </ul>
Subject content	What students need to learn
6.5 Comparison	<p>a) Understanding of how to compare different arrangements.</p> <p>b) Comparison and explanation of:</p> <ul style="list-style-type: none"> <li>• different purchase and leasing arrangements</li> <li>• advantages and disadvantages of particular sets of terms, although only in financial terms</li> <li>• impact of early settlement</li> <li>• impact of non-payment.</li> </ul>

## 7. Simple and compound interest

Subject content	What students need to learn
7.1 Terminology and concepts	a) Knowledge and understanding of different terminology and concepts in simple and compound interest: Principal, rate of interest, loan, investment, period, withdrawal, repayment.
7.2 Calculating interest	a) Knowledge and understanding of the differences between simple and compound interest and their uses within a business environment.
	b) Knowledge and understanding of how interest impacts loans and investments in terms of adding or removing value over time.
	c) The relationship between amount of interest, amount of principal, rate of interest paid or chargeable and the period of a loan or investment.
	d) Ability to select the correct formula for simple or compound interest.
	e) Ability to rearrange the simple interest formula given to make principle, rate or time the subject.
	f) Ability to rearrange the compound interest formula given to make principal or rate the subject.
	g) Calculation of: <ul style="list-style-type: none"> <li>• amount of interest paid/payable after a single period or a number of complete periods</li> <li>• in the case of simple interest only, the rate of interest used in arriving at a given amount of interest</li> <li>• principal borrowed or invested, given the interest paid/payable over a given time.</li> <li>• in the case of simple interest only, the number of periods for which the principal was invested/borrowed, given the amount and rate of interest paid/payable.</li> </ul>

Subject content	What students need to learn
7.3 Comparison	<p>a) Calculations involving:</p> <ul style="list-style-type: none"><li>• comparison between amounts of simple and compound interest payable on an investment or loan</li><li>• comparison of interest where compounding occurs over different periods, such as annual, quarterly or monthly compounding, involving only whole numbers of periods.</li></ul>

## 8. Averages

Subject content	What students need to learn
8.1 Terminology and concepts	a) Knowledge and understanding of different types of mathematical average:  Estimated mean, median, mode, modal class, median class, frequency, range, weighted average.
8.2 Averages	a) Knowledge and understanding of the uses of different averages.  b) Calculations involving: <ul style="list-style-type: none"> <li>• sum and number of given quantities</li> <li>• identification of the interval containing the median value in a grouped frequency example</li> <li>• ordering of data to determine median value</li> <li>• average (mean) of given data, which may be an estimated average (mean) in a grouped frequency example</li> <li>• identification of mode or modal class</li> <li>• multiplication of components of each class by a factor reflecting their importance to achieve a weighted average.</li> </ul>
8.3 Presentation of findings	a) Knowledge and understanding of the ways in which findings can be presented.  b) Presentation of: <ul style="list-style-type: none"> <li>• tabulated data, to indicate median, mode or range including estimated values</li> <li>• graphical presentation of data, to include bar charts, pie charts, scatter graphs, stem and leaf diagrams and histograms, dealing with equal class intervals.</li> </ul>

## Delivery guidance

Examinations for this qualification will involve scenario-based questions. The questions give a business situation and ask students to identify concepts, carry out calculations and analyse aspects of that situation. The questions are set in this way to give students the opportunity to think about scenarios that they are likely to face in future employment.

There will be thirty questions on the examination, and all should be attempted. While not all topics in the content list will be examined on every exam, it is expected that all the material will be examined at some point in the life of the specification. Students should be prepared to answer questions on all sections of the content.

Several elements in the content section refer to 'suitable information'. This means that the scenario presented in a question will determine what that information might be.

In *Content area 1: The small business*, 'suitable information' for calculating profits would include levels of sales, amounts of overhead expenses, the cost of stock purchased for the business, and so on. The details of this will be different in each examination.

In *1.5: Job costing*, the 'different elements' of the costs of a job will include the number of staff required, their hours spent and rates of pay, the cost of materials used in a job, the cost of transport to and from a job, and so on. Again, the detail of this will be different in each examination.

In *1.7: Cash budgets*, the 'suitable information' will include sales and revenues for a business, opening and closing bank balances, apportionment of costs in particular months, details of cash and credit transactions, purchase of new machinery, recruitment of staff, and other elements that would impact on the cash position of a business.

In *Section 2: Wages, salaries and commission*, 'suitable information' will involve amounts and rates of deductions for social insurance, tax, pension contributions and other common deductions from employees' wages.

In *Section 3: Partnerships*, 'suitable information' will include amounts and proportions of investment into a partnership, to allow calculation of ratios; and amounts of profit or loss made by a partnership, to allow calculation of individual profits or losses for individual partners.

Examinations for this qualification will use several different currencies in circulation in different countries in the world. A list of the currencies that may be used is given in the formula sheet given to students at the start of each examination.

Students are expected to recognise these currencies and the countries from which they originate, and to recognise and be able to reproduce their currency symbols. The examinations will not include currencies not provided in the formula sheet.

## Assessment

### Assessment summary

IAB LCCI Level 2 Certificate in Business Calculations
<p>First Teaching: September 2019</p> <p>Number of Series: 2</p>
<p>Overview of content</p> <ol style="list-style-type: none"> <li>1 The small business</li> <li>2 Wages, salaries and commission</li> <li>3 Partnerships</li> <li>4 Business trading documents</li> <li>5 Currency exchange</li> <li>6 Hire purchase and leasing</li> <li>7 Simple and compound interest</li> <li>8 Averages</li> </ol>
<p>Overview of assessment</p> <ul style="list-style-type: none"> <li>• One online, externally set and marked examination, contributing to 100% of the overall grade of the qualification.</li> <li>• The examination will be 2 hours.</li> <li>• The examination will consist of 100 marks.</li> <li>• Students will be graded Pass/Merit/Distinction. A result of fail will be recorded where students do not achieve the required marks for a Pass.</li> <li>• The examination contains 30 questions.</li> <li>• Students answer all questions.</li> <li>• The questions comprise table completion, calculations, short open-response and medium open-response questions.</li> <li>• Ruler, protractor, calculator, and formula sheet may be used.</li> </ul>

## Assessment objectives

Assessment objectives have been developed for this qualification to ensure that examinations are appropriately targeted. The assessment objectives describe the abilities that students should be able to demonstrate. Each question targets one or more assessment objectives. They are applied to the examination in the proportions below.

Students must:		% of qualification
AO1	Recall Recall business facts, terminology and formulae.	11
AO2	Perform procedures Extract and manipulate data (e.g. putting data into cumulative terms). Convert figures from one form to another (e.g. currency, percentage). Carry out calculations relating to a business context.	77
AO3	Demonstrate understanding Display and present data in tables or charts. Present information in appropriate format (e.g. using correct currency symbol, figures to appropriate decimal places, present ratios in correct format, indices). Demonstrate understanding of business processes and procedures.	8
AO4	Analyse Classify and compare results of calculations. Interpret results from business calculations. Recognise patterns and correlations.	4
Total		100

## Performance descriptors

Grade	Descriptors
Pass	<p>Students can recall, use and apply business facts, terms, processes and formulae applicable to a small business.</p> <p>Students can manipulate data and perform routine calculations. They can convert figures from one form to another.</p> <p>Students can produce and understand simple data through tables and charts.</p> <p>Students can demonstrate a basic understanding of business processes and procedures.</p>
Distinction	<p>Students can demonstrate a detailed knowledge and understanding of business processes and procedures using business facts, terms and formulae consistently and effectively in given scenarios applicable to small businesses.</p> <p>Students can perform routine multistep business calculations. They can convert figures from one form to another consistently.</p> <p>Students display depth of understanding of data through detailed tables and charts.</p> <p>Students can make short-term judgements by analysing and interpreting business data.</p>



## Entry and assessment information

Please see the *LCCI Information Manual* and the *IAB LCCI examination regulations*, available on our website: <https://www.iablcci.org.uk/>

### Student entry

Details on how to enter students for the examination for this qualification can be found on our website.

The closing date for entries is approximately six weeks before the start of each examination series. Centres should refer to the published examination timetable for examination dates.

### Combinations of entry

There are no forbidden combinations of entry for this qualification.

### Age

This qualification is intended for students aged 16 and above.

### Resitting the qualification

Students can resit the examination for IAB LCCI Level 2 Certificate in Business Calculations.

It is strongly advised that students do not register to undertake a resit until they have received the results from their previous examination.

### Awarding and Reporting

The IAB LCCI Level 2 Certificate in Business Calculations qualification is certificated on a three-grade scale: Pass/Merit/Distinction. Pass and Distinction are awarded, Merit is arithmetically calculated.

### Access arrangements, reasonable adjustments and special consideration

#### Access arrangements

Access arrangements are agreed before an assessment. They allow students with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do, without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual student with a disability, without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with their duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Students will then know what is available and have the access arrangement(s) in place for assessment.

## Reasonable adjustments

The Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a person with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular person may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on several factors, which will include the:

- needs of the student with the disability
- effectiveness of the adjustment
- cost of the adjustment; and
- likely impact of the adjustment on the student with the disability and other students.

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, has untenable timeframes or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

## Special consideration

Special consideration is a post-examination adjustment to a student's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination or assessment, which has had, or is reasonably likely to have had, a material effect on a student's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information

Please see the website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: [www.jcq.org.uk](http://www.jcq.org.uk).

## Equality Act 2010 and IAB equality policy

Equality and fairness are central to our work. Our equality policy requires all students to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every student.

We are committed to making sure that:

- Students with a protected characteristic (as defined by the Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to students who do not share that characteristic
- All students achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

You can find details of how to make adjustments for students with protected characteristics in the policy document *Access Arrangements, Reasonable Adjustments and Special Considerations*, which is on our website <https://www.iablcci.org.uk/>

## Malpractice

Student malpractice refers to any act by a student that compromises or seeks to compromise the process of assessment, or which undermines the integrity of the qualifications or the validity of results/certificates.

Student malpractice in examinations must be reported to IAB to the awarding team by email [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) clearly identifying the title or posted to the registered office 110 Bishopsgate, London, EC2N 4AY. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with IAB.

Failure to report malpractice constitutes staff or centre malpractice.

## Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with student malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration must be reported immediately, before any investigation is undertaken by the centre, to IAB awarding team by email [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk) clearly marked malpractice or posted to the registered office 110 Bishopsgate, London, EC2N 4AY. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with IAB.

Failure to report malpractice itself constitutes malpractice.

More detailed guidance on malpractice can be found in the latest version of the document *General and Vocational Qualifications Suspected Malpractice in Examinations and Assessments Policies and Procedures*, available at:

[www.jcq.org.uk/exams-office/malpractice](http://www.jcq.org.uk/exams-office/malpractice).

## Language of assessment

Assessment of this specification will be in English only. Assessment materials will be published in English only and all work submitted for examination must be in English only.

## Other information

### Total Qualification Time (TQT) and Guided Learning Hours (GLH)

For all regulated qualifications, we specify the total number of hours that students are expected to undertake to complete and show achievement for the qualification – this is the Total Qualification Time (TQT). The TQT value indicates the size of a qualification.

Within the TQT, we identify the number of Guided Learning Hours (GLH) that a centre delivering the qualification needs to provide. Guided learning means activities that directly or immediately involve tutors and assessors in teaching, supervising, and invigilating students, for example lectures, tutorials, online instruction and supervised study.

As well as guided learning, there may be other required learning that is directed by tutors or assessors. This includes, for example, private study, preparation for assessment and undertaking assessment when not under supervision, such as preparatory reading, revision and independent research.

TQT and GLH are assigned after consultation with users of the qualifications.

This qualification has a TQT value of 200 hours and a GLH of between 140–160 GLH.

#### Student recruitment

IAB follows the JCQ policy concerning recruitment to our qualifications in that:

- They must be available to anyone who can reach the required standard
- They must be free from barriers that restrict access and progression
- Equal opportunities exist for all students.

#### Prior learning and other requirements

There are no formal entry requirements for this qualification.

Students may be studying in a local language but the assessment will be in English. IAB recommends students have B1 level of English on the Common European Framework of Reference (CEFR). This will support access to the assessment materials and ensure that students are able to communicate responses effectively.

IAB's *Recognition of prior learning policy and process* document can be found at: <https://www.iab.org.uk/lcci/> or through our awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

## Progression

LCCI qualifications are designed to allow students to pursue different routes as outlined below.

Enter a chosen field of work, pursue a promotion, or change their field of work

The IAB LCCI Level 2 Certificate in Business Calculations qualification supports those progressing directly to employment in finance-related roles, as well as those who operate their own businesses.

Using appropriate internal processes, centres must ensure they choose the most appropriate qualification level for their students' needs.

Progress to further study, such as the next LCCI level or externally with a professional body or education provider

This qualification allows progression to LCCI Level 3 accounting qualifications, such as the IAB LCCI Level 3 Certificate in Advanced Business Calculations, as well as qualifications across the LCCI suites. Completing different LCCI qualifications could potentially lead to gaining an LCCI Diploma. Please refer to the 'Exemptions' section of this specification for information on recognition from external providers, or the latest LCCI Information Manual for more information about Diplomas.

## Exemptions

We are continuously gaining new and updated exemptions for our LCCI qualifications from professional bodies and organisations. For the latest list of agreements, and to check this specific qualification, please visit the IAB LCCI website:

<https://www.iablcci.org.uk/> or through our awarding team at [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

## Codes

The qualification is approved by Ofqual and meets the Ofqual General Conditions for inclusion on the Register of Regulated Qualifications. The Qualification Number (QN) is: 610/3018/1

The subject code for IAB LCCI Level 2 Certificate in Business Calculations is 3061. The subject code is used by centres to enter students for a qualification.

## Support, training and resources

### Training

Pearson offers support and training to teachers on the standard of delivery and preparing students to meet the assessment requirements.

Specifications, sample assessment materials and teacher support materials

The IAB LCCI Level 2 Certificate in Business Calculations Sample assessment materials can be downloaded from our website.

To find a list of all the support documents available, please visit our website: <https://www.iablcci.org.uk/> or through contacting our awarding team [awarding@iablcci.org.uk](mailto:awarding@iablcci.org.uk)

## Appendices

Appendix 1: Formula Sheet

Appendix 2: Glossary of International Accounting Standards terminology

## Appendix 1: Formula Sheet

### Currencies

The following currencies may appear in the examination paper:

British pound sterling (£)	US dollar (\$) Australian
euro (€)	dollar (AU\$) Singapore
Thai baht (฿) Myanmar	dollar (S\$) Brunei dollar
kyat (K) Malaysian	(B\$)
ringgit (RM) South	Indonesian rupiah (Rp)
Korean won (₩)	Japanese yen (¥) Canadian
Philippines peso (₱)	dollar (\$) )

### Simple interest

$$\text{Simple Interest} = \frac{\text{Principal} \times \text{Rate} \times \text{Time}}{100}$$

$$I = \frac{PRT}{100}$$

### Compound interest

$$\text{Accrued value} = \text{Principal} \left( 1 + \frac{\text{Rate}}{100} \right)^T$$

$$A = P \left( 1 + \frac{R}{100} \right)^T$$

### Averages

Mean of ungrouped data:  $\bar{x} = \frac{x_1 + x_2 + \dots + x_n}{n}$

or  $\bar{x} = \frac{\sum_{i=1}^n x_i}{n}$

Mean of grouped data:  $\bar{x} = \frac{\sum fx}{\sum f}$

Mode is most frequently occurring value

Median of an ordered list of  $n$  elements is the  $\frac{n+1}{2}$  the element

## Appendix 2: Glossary of International Accounting Standards terminology

The following list is a glossary of the comparison between the International Accounting Standards (IAS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology. IAS terminology is used in the content of the LCCI financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications.

Centres should be aware that these terms are also referred to as International Financial Reporting Standards (IFRS), in certain contexts in the industry, however the definitions and meaning remain the same.

IAS terminology	Previously used UK GAAP terminology
Financial statements	Final accounts
Statement of profit or loss	Trading and profit and loss account
Revenue	Sales
Raw materials/ordinary goods purchased	Purchases
Cost of sales	Cost of goods sold
Inventory	Stock
Work in progress	Work in progress
Gross profit	Gross profit
Other operating expenses	Sundry expenses
Allowance for doubtful debt	Provision for doubtful debt
Other operating income	Sundry income
Investment revenues/finance income	Interest receivable
Finance costs	Interest payable
Profit for the year before tax or after tax	Profit for the year
Retained earnings	Profit/loss balance
Statement of changes in equity (limited companies)	Appropriation account

Statement of financial position	Balance sheet
Non-current assets	Fixed assets
Property	Land and buildings
Plant and equipment	Plant and equipment
Investment property	Investments
Intangible assets	Goodwill etc.
Current assets	Current assets
Inventory	Stock
Trade receivables	Debtors
Other receivables	Prepayments
Cash and cash equivalents	Bank and cash
Current liabilities	Current liabilities/creditors: amounts due within 12 months
Trade payables	Creditors
Other payables	Accruals
Bank overdraft and loans	Loans repayable within 12 months
Non-current liabilities	Long-term liabilities/creditors: amounts falling due after 12 months
Bank (and other) loans	Loans repayable after 12 months
Capital or equity	Capital
Share capital	Share capital
Statement of cash flows	Cash flow statement
Other terms	
Inventory count	Stock take
Carrying value	Net book value