



SECTOR: BUSINESS SERVICES

TRADE: ACCOUNTING

RTQF LEVEL: III IN ACCOUNTING

ACCPO 301: PROCESSING ONLINE TRANSACTIONS

PURPOSE STATEMENT

This module describes the skills, knowledge and attitude required to process online transactions. It is intended for learners who have successfully completed the 9 years basic education. At the end of this module, learners will be able identify online service provider, perform different online transactions, maintain and review online transactions records. Learners will work in forex bureau, shops, warehouses, supermarket, hotels, travel agencies, banks, performing a range of tasks related to online transactions processing, alone or with others but under supervision.

TABLE OF CONTENTS

FINACC 307 PROCESSING ONLINE TRANSACTIONS.... Error! Bookmark not defined.

Learning unit1 Identify and investigate online service provider.....	4
1.1 Identify online suppliers.....	4
1.1.1 Introduction.....	4
1.1.2 Features of online transaction.....	4
1.1.3 a. Sourcing of online suppliers.....	4
1.1.3 b. Drawing up a short list of suppliers.....	5
1.2 Assess online confidentiality and security.....	6
1.3 Assess potential services providers for authenticity (truth).....	6
1.3.1 Assessment of the service provider’s background.....	7
1.3.2 Getting information from regulating authority.....	7
Learning unit 2: Perform online transactions.....	9
2.1 Describe service/product.....	9
2.1.1 Product description.....	9
2.1.2 Service description.....	9
2.2 Interpret delivery terms.....	10
2.2.1 Interpretation of online delivery terms.....	10
2.2.3 Effective Channeling of feedback.....	11
Learning unit 3: Maintain online records.....	15
3.1 Keep online transactions records.....	15
3.1.1 Downloading.....	15
3.1.2 Keeping soft and hard copies.....	15
3.2 Generate online transactions reports.....	15
3.2.1 Retrieving (saving) periodically online transactions report.....	15
3.2 Interpreting online transactions reports.....	16

Learning unit1 Identify and investigate online service provider

1.1 Identify online suppliers

1.1.1 Introduction

A **transaction** is a business event that has a monetary impact on an entity's financial statements, and is recorded as an entry in its accounting records.

Online transaction: is where information systems facilitate and manage business transactions.

Online transaction covers both computer and mobile phone transaction. It allows to understand the recent (current) transactions, print out statements, and transfer funds between accounts and to make payments.

1.1.2 Features of online transaction

The characteristics of online transactions including the following;

- It is Flexible
- it Saves time
- Transaction speed
- It Makes all payment electronically
- You can log on from almost anywhere

1.1.3 a. Sourcing of online suppliers

The sources of online suppliers or providers are;

1. Directories
2. Trade associations
3. Business advisors
4. Exhibitions
5. Trade media

a. Directories

A book or website listing individuals or organizations alphabetically with details such as: names, addresses, telephone numbers and E-mail and website.

b. Trade associations

A trade association, also known as an industry trade group, business association, is an organization founded and funded by businesses that operate in a specific industry.

Almost all trade associations are heavily involved in publishing activities in print and online. The main media published by trade associations are as follows:

c. Business advisors

Business advisors provide financial and strategic advice to small and mid-sized companies.

d. Exhibitions

It is a public display of works of art or items of interest or demonstration of company's new products and services.

e. Trade media

Trade media" refers to **the** magazines, the websites, the mass communication, etc.

1.1.3 b. Drawing up a short list of suppliers

While drawing a shortlist of online suppliers you have to focus on the following key information; supplier references and supplier's experience

➤ **Supplier's reference**

The reference of supplier must include the following elements;

- Names of supplier
- Tender's company name:
- Referee company name:
- Position within company/organisation:
- Value of contract:
- Address of supplier
- Website and E-mail as well as his/her company and personal phone number.

➤ **Supplier's experience**

Supplier's experience plays important role while choosing a good supplier for goods and services.

1.2 Assess online confidentiality and security

a) Confidentiality

Confidentiality refers to protecting information from being accessed by unauthorized parties

b) Security

Security is a state of being free from danger or threat

While assessing online confidentiality and security the following element must be considered;

- a. Details of information required
- b. Vulnerability of information required
- c. Credentials of accessibility

- a) **Details of information required** it means that it provide all details of information needed.
- b) **Vulnerability of information required** this shows how the level of weakness of information stored.
- c) **Credentials of accessibility** this shows how the accessibility of information requires a permission.

1.3 Assess potential services providers for authenticity (truth)

The **Assessment of truth or validity or authenticity of the potential or future services providers, we consider;**

- a) Assessment of the service provider's background and
- b) Getting information from regulating authority

1.3.1 Assessment of the service provider's background

Services provider is an organization, business or individual which offers services to others in exchange for payment. The assessment of the services provider's background is based on physical address and telephone (company telephone), website, E-mail, and fax etc.

- **Physical address**

Physical address of services provider including;

- Location of company that provide services which composed by;
 - Country, province, district, sector
- Telephone (company telephone), website, E-mail, and fax

1.3.2 Getting information from regulating authority

The information about Assessment of the service provider's background can be obtain through government agencies, Business associations and consulting customer forums

a) Government Agencies

Governments agencies is a permanent or semi-permanent organization that is responsible provide more information and services to their residents that include the public services, setting policies for the businesses, etc.

b) Business Associations;

A trade association, also known as an industry trade group, business association, sector association or industry body, is an organization founded and funded by businesses that operate in a specific industry. An industry trade association participates in public relations activities such as advertising, education, political donations, lobbying and publishing, but its focus is collaboration between companies.

c) Consulting customer forums

Consumer forums are forums formed under Consumer Protection Act where consumer can file a case against a company or service providers if there is defect in goods and services. Or Consumer forums are a place where consumer can file (organize) a complaint against company

Learning unit 2: Perform online transactions

2.1 Describe service/product

2.1.1 Product description

Product description includes; product specification, quantity, and price.

a) Product Specifications:

A Product Specification is a document that provides information about a product such as;

1. Identification of the manufacturer
2. List of rules,
3. Prohibitions and standards that apply to the item;
4. Design specifications and product images.

b) Product Quantity

Product quantity is the total amount of goods and services that a supplier is able to sell at the market at a given level of price over a given period of time.

c) Product Price

Product price is the value of a product that is measured in monetary value.

2.1.2 Service description

Service description including, service specification and price.

a) Service Specifications

A service specification describe the nature of the service required, the user for whom the service will be provided and the overall purpose and aims of the service.

b) Service price

Service price is the value of service that is measured in monetary value.

2.2 Interpret delivery terms

2.2.1 Interpretation of online delivery terms

The interpretation of online delivery (transfer) terms includes: delivery location, delivery time, legal provision (establishment) and payment.

a) Delivery location:

The delivery location is the place where the commodity will be delivered or transferred. The chosen location will have an effect on the net delivery price/cost.

b) Delivery time

Delivery time is a metric (measurement) used to assess the ability of a business to fulfill shipping orders or other transactions within the period of time promised to a client or customer.

c) Legal provision

A **legal provision** is a legal clause (article) or condition contained within a contract that requires one or both parties to perform a particular requirement within a specified time.

d) Payment

Payment is the action or process of paying someone or something or of being paid. Payment can take a variety of forms. Barter, the exchange of one good or service for another.

The most common means of payment involve use of money, cheque, or debit, credit or bank transfers.

Online payments.

As a business owner, it's helpful to understand exactly how money moves from your customer to your business. There are two stages to payment processing: the authorization (approving the sale) and the settlement (getting the money in your account).

The authorization process goes roughly like this:

1. Your customer buys an item on your site with a credit or debit card.
2. That information goes through the payment entry, which translates the data to keep it private, and sends it to the payment processor.
3. The payment processor sends a request to the customer's issuing bank to check to see that they have enough credit to pay for your stuff or materials.
4. The issuer responds with a yes (an approval) or a no (a denial).
5. The payment processor sends the answer back to you that the sale was approved and also tells your merchant bank to credit your account.

All of the above takes place within one to two seconds.

The second piece of the process (where you get paid!) is the settlement (payment):

1. The card issuer sends the funds to your merchant bank, which deposits the money into your account.
2. The funds are available.

2.2.3 Effective Channeling of feedback

2.2.3.1 Online feedback formulation

The Online feedback formulation including;

- a. Confirming payment,
- b. Confirming reception and
- c. Formulating complaint.

1) Confirming payment

Manage your payments to your suppliers, improving your position and facilitating financing.

Procedures

1. Log on to the commerce call center or the home page opens
2. Navigate to the payment confirmation

3. Click to payment method
4. For a specific payment method, in the amount to charge field, enter the amount that the customer wants to pay by using the payment method.
5. Click confirm.

2) Confirming reception

Is an acknowledgement of receipt of payment or to conform that a payment was received.

3) Formulating complaint

1. How to write an effective complaint letter

1. Be clear and concise
2. State exactly what you want done and how long you are willing to wait for a response.
3. Don't write angry, threatening letter
4. Include copies of relevant document like work order and warranties.
5. Include your name and contact information.

Complaint letter template for goods you bought

[Your name]

[Your address]

[Your phone number or email address] (How you want to be contacted)

Customer Services Manager (if you don't have a contact name)

[Company name]

[Company address line 1]

[Company address line 2]

[Company address line 3] [Postcode]

Dear [Contact Person or Customer Service Manager],

[Account number, goods purchased model number etc.]

On [date], I bought [describe goods] at [location, date and other important details of the transaction].

I am disappointed because [it/they has/have] not performed well because [explain the problem; for example, the product does not work properly, I was billed the wrong amount, something was not disclosed properly or was misrepresented, etc].

To resolve the problem I would like you to [state the action you require e.g. refund, repair etc.].

Enclosed is a copy/are copies of the [receipt, contract etc].

I look forward to hearing from you by [date – 10 working days after receiving this letter or email is a reasonable time for a response]. I would like this problem to be resolved between us. However, if we are unable to resolve the matter I will refer it to the Office of Fair Trading.

Please contact me at the address or phone shown above.

Yours sincerely

[Sign]

[Print your name]

[Date]

Enclosures: [state documents you have enclosed, if any]

Cc: [Include name and company if are sending a copy of this letter to someone else]

Example;

XY Ltd company

BUGESERA- NYAMATA

TEL +250788849093

Xyltd.co.@gmail.rw

Z Ltd co

KIGALI- RWANDA

KICUKIRO DISTRICT

PO.BOX 1238 KIGALI

Dear sir,

Our order no 0152 has just been delivered and we are sorry to say that the quality the quality of ABCD items no.204/3/4/2019 is not up to your usual standard. We are sure that you will understand our disappointment.

It will be possible to retail the handyman's goods eventually (finally) but only at lower price. we must therefore, ask you to allow us a supplementary or additional discount of 10% on items no.204/3/4/2019 or take them back.

Please contact me at the address or phone shown above.

Yours sincerely

[Sign]

Jean Kalege

Sales and purchase manager

Learning unit 3: Maintain online records

3.1 Keep online transactions records

Keeping online records includes: downloading copies, keeping soft copies and keeping hard copies.

3.1.1 Downloading

Copy (data) from one computer system to another, typically over the Internet.

3.1.2 Keeping soft and hard copies

A soft copy is the unprinted digital document file. While hard copy is a printed document file held in a computer.

a) Keeping a soft copy

- Keeping a digital copy of a document can allow easy editing of it later (future) on.
- When soft copies are kept on storage devices, they conserve office space.
- Softcopy documents are more portable compared to hardcopy because it is not bulky like hardcopy.

b) Keeping a hard copy

A hard copy is a permanent reproduction, or copy, in the form of a physical object, of any media suitable for direct use by a person.

Examples of hard copy include computer printouts, and radio photo prints.

3.2 Generate online transactions reports

3.2.1 Retrieving (saving) periodically online transactions report

The online transactions report to be saved periodically including;

- Daily report
- Weekly report
- Monthly report
- Quarterly report
- Semi-annually report
- Annually report

a) A daily report

Formal daily paperwork, on all major construction projects, that summarizes the daily field activities, the manpower on the site, the visitors to the site, any issues encountered, the weather, etc. The daily report is an important legal document that should identify all conditions that occur on a daily basis, on the construction project.

b) A Weekly report

A weekly report is a kind of report that includes information on what have become known within the week. The information contained in a weekly report includes the achievements, plans or goals, and problems.

c) A monthly report

A monthly report is a kind of business report that provides information with one month.

d) A quarterly report

A **quarterly report** is a kind of a business report issued by a company in every three months.

e) Semiannual report

A semiannual event happens twice a year, typically every six months. Semi-annual is an adjective that can describe something that occurs, or is payable, reported or published twice each year, as in a semiannual periodical.

f) Annual report

An annual report is a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give shareholders and other interested people information about the company's activities and financial performance.

3.2 Interpreting online transactions reports

The analysis online reports shows the origin, database, and processing events for each transaction code, although most reported items.

Transactions analysis report provides comparison information for web transactions, including the amount of time spent per minute, total time in the web transaction and average time to execute it. You can compare the past 24 hours of data with the previous 24 hour period, 7 days ago, and averages over the last 7 days.

SELF ASSESSMENTS

LEARNING UNIT 1:

Q1. Circle the letter corresponding to the correct answer:

I. The definition of transaction is:

- A. Is a business event that has a monetary impact on an entity's financial statements, and is recorded as an entry in its accounting records.
- B. Is the report done to the top manager
- C. Is the money lost in the previous decades
- D. All the above options are correct.
- E. No correct answer is from the above options

II. Online transaction is:

- A. The computer installed on power and which is used by manager.
- B. Where information systems facilitate and manage transactions typically for data entry and retrieval transaction processing.
- C. The telephone that is used to pay the airtime.
- D. No correct answer is from the above options.

Q2. The following items describe the features of online transaction. At the end of each item, write TRUE if the item is correct or FALSE if it is not correct

- A. It is flexible
- B. It is convenient
- C. It saves time
- D. Paper size
- E. Transaction speed
- F. Money

Q3. Match the items in column A with their corresponding items in column B, use answer column to write the letter corresponding to the identified correct response.

ANSWE R	COLUMN A	LETTE R	COLUMN B
1....	Directories	A	It is also known as an industry trade group, business association, sector association or industry body
2....	Business advisors	B	Their refers to the magazines, the websites , the blogs(mass communication)
3...	Exhibitions	C	A book or website listing individuals or organizations alphabetically with details such as name.
4...	Trade media	D	Mount blue hotel
5...	Trade associations	E	It is in a specific industry to showcase and demonstrate their new products and services.
		F	They provide financial and strategic advice to small and mid-sized companies potential customer
		G	
		H	

LEARNING UNIT 2

Q1. Define the following terms:

- a. A product specification.
- b. A product price
- c. Delivery location

Q2. Read the following statements and answer by using TRUE if the statement is correct or FALSE if it is not correct. Write your answer at the end of each statement.

- a. Service description including, service specification and price.
- b. The delivery location is the time on which the product will be delivered.
- c. Delivery time is a place where the commodities will be delivered.
- d. A payment is the trade of value from one party to another for goods, or services, or to fulfill a legal obligation.
- e. Service description is composed by service quantity only.

Q3. Circle the letter corresponding to the best answer.

I. Product description including

- A. Product specification
- B. Quantity
- C. Both A&B answers are correct
- D. No correct answer is from the above options.

- II. A product specification provides the following information about a product EXCEPT:**
- A. List of rules
 - B. Identification of the manufacturer
 - C. Consumption
 - D. Design specifications and product images.
 - E. No answer provided from the above
- III. Service description is characterized by the following elements EXCEPT :**
- A. Service price
 - B. Service specification
 - C. Directories
 - D. No answer provided from the above
- IV. The interpretation of online delivery terms is includes the following items :**
- A. Delivery location
 - B. Delivery time
 - C. Legal provision
 - D. A,B; and C are right.
- V. The online feedback formulation is made up with the bellow points ; EXCLUDING:**
- A. Confirming payment
 - B. Confirming reception
 - C. Formulating complaint
 - D. No answer is from the above options

LEARNING UNIT 3

Q1. Define the following terms

- A. An annual report
- B. The daily report
- C. Product quantity

Q2. Read the following statements and answer by using TRUE if the statement is correct or FALSE if it is not correct. Write your answer at the end of each statement.

- A. Downloading is copying data from one computer system to another, typically over the internet.
- B. A soft copy is the unprinted digital document file.
- C. Hard copy is a printed document file held in a computer
- D. A quarterly report is a set of financial statements issued by a company every three months.
- E. A weekly report is a kind of report that includes information on what have become known within the week.
- F. An annual report is a comprehensive report on a company's activities throughout the preceding year.
- G. The daily report is an important legal document that should identify all conditions that occur on a daily basis.