



## External Assessment Report 2013

Subject	Accounting
Level	Intermediate 1

The statistics used in this report are pre-appeal.

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published question papers and marking instructions for the examination.

# Comments on candidate performance

## General comments

Candidates appeared to be well prepared for the exam. Layouts were well followed, with the exception of the Process Costing layouts. Labels appeared in the correct places on all questions.

In Section A of the question paper (the Financial Section), Question 1 (the compulsory question), was based on the final accounts of a partnership. This question was well done. From the choice of practical questions in this section, a majority of candidates opted for Question 3 — Petty Cash Statement and Bank Reconciliation, and handled this well. The Petty Cash Statement was very well done. Theory in both questions, however, was not handled at all well.

In Section B of the paper, the Management Section, with Question 4 (the compulsory question) based on Cash Budget and Spreadsheets, both sections were generally very well done, particularly the Cash Budget. The optional questions were generally very well done. The theory for the management section was well handled in Question 5, Wages, and poorly handled in Question 6, Overhead Absorption Rates.

## Areas in which candidates performed well

- ◆ Question 1, Partnership Accounts — candidates handled the Appropriation Account and Current Accounts well, and better than in previous years.
- ◆ Question 2 — fewer candidates attempted this question, but the ratios were reasonably well handled.
- ◆ Question 3 — most candidates attempted this question. Part A, the petty cash statement, was very well handled, and the Bank Reconciliation Statement was completed much better than in previous years.
- ◆ Question 4, Part A, Cash Budget, was very well done as were the spreadsheet formulae.
- ◆ Question 5, Part A, Service Costing was very well done as was Part B, on Break Even. Part C theory was very well done.
- ◆ Question 6, Overhead Analysis, was very well done indeed.

## Areas which candidates found demanding

### Question 1

Many candidates performed weakly in Section (a) of this question, the Trading and Profit and Loss Account. The layout was often poor, resulting in the wrong effect for many of the items.

Performance in Sources of finance was variable. Many candidates only mentioned 'shareholder' so could only gain half of the available marks.

## **Question 2**

This question was not completed by many candidates, and those who did complete it found the double entry very challenging. In addition, candidates sometimes got the figure in the correct place but had incorrect nomenclature, meaning no marks could be awarded. Very few candidates gained more than half of the available marks for Part A.

Very few candidates could give an example of Capital or Revenue Expenditure.

## **Question 3**

The discount theory was poorly done, with very few candidates knowing the difference between the two.

## **Question 4**

Some candidates incorrectly used 'sum' in front of all formulae.

Part C, the Spreadsheet theory, was very poorly done.

## **Question 5**

Part B — the only issue with this question was the lack of knowledge of Break-even Formulae.

## **Question 6**

Part A (c), the theory of Overhead Absorption Rates and formula, was very poor.

Too many candidates still use the wrong layout for their answer. Candidates should be alerted to the fact that there are two possible layouts, and to select the correct one for the way they have been taught.

Process Costing continues to cause candidates difficulties, with many candidates only managing inputs.

# **Advice to centres for preparation of future candidates**

Teachers should review the special instructions for specific actions regarding errors that are frequently made by candidates, eg opening balances, extraneous items and labels.

Time should be spent ensuring that candidates learn their layouts, as these are crucial for success.

Time should be spent on theory, as candidates are losing what should be straightforward marks, and they appear unprepared for these questions.

Candidates should be allowed to practice questions for this paper using past paper questions, along with the worksheets so that they are familiar with the options offered and how to handle them.

Teachers should share advice given in this report and previous reports with candidates before the exam.

## Statistical information: update on Courses

### Intermediate 1

Number of resulted entries in 2012	69
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Number of resulted entries in 2013	79
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## Statistical information: Performance of candidates

### Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark 120				
A	44.3%	44.3%	35	84
B	16.5%	60.8%	13	72
C	1.3%	62.0%	1	60
D	3.8%	65.8%	3	54
No award	34.2%	100.0%	27	-

## General commentary on grade boundaries

- ◆ While SQA aims to set examinations and create marking instructions which will allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and a well prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary), it is very challenging to get the standard on target every year, in every subject at every level.
- ◆ Each year, SQA therefore holds a grade boundary meeting for each subject at each level where it brings together all the information available (statistical and judgemental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.
- ◆ The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.
- ◆ An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions, are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in, say, Higher Chemistry, this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related, as they do not contain identical questions.
- ◆ SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.