



External Assessment Report 2013

Subject	Accounting
Level	Intermediate 2

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 labels in the correct place on all questions.

In Section A, the Financial Section of the paper, Question 1 (the compulsory question) was based on the final accounts of a not-for-profit organisation. This question was reasonably well done. In the choice of practical questions in this section, a majority of candidates opted for Question 2, accounts of a plc. This question was well done. Theory in both questions was well done.

In Section B, the Management Section of the paper, Question 4 (the compulsory question) was based on Service Costing and Process Costing. The Service Costing part was well done but the Process Costing part was poorly handled with many candidates only managing to deal with the inputs. The optional questions were generally very well handled. The theory for the management section was also relatively well done in 2013.

Areas in which candidates performed well

Question 1(c), the Profit and Loss on the Raffle, was very well done. Question 1(d) the Income and Expenditure account was also generally relatively well done.

Question 2, the theory was well handled.

Question 3, Part A – Partnership Accounts, was quite well handled by those who chose it.

Question 4 was very well attempted by the majority of candidates. They approached the difficult topic of Decision Making in a logical fashion, answering all parts of the question.

Question 5, Service Costing and Break-Even, was very well handled by those who chose it.

Question 6, Cash Budget, was well done. In particular, delay periods were handled better than in previous years. There was an improvement in the handling of the Process Costing question.

Areas which candidates found demanding

Question 1

- ◆ Part (a), the Accumulated Fund, was poorly done, with candidates using the start and end of year figures.
- ◆ In part (b) the opening bank balance was frequently missing. The Accumulated Fund figure from (a) was often used instead.
- ◆ In part (d), the heading was often missing or wrong and the final label similarly missing or given as Profit rather than surplus. The purchase of equipment was often included in the Income and Expenditure Account, incurring an extraneous penalty. The depreciation

calculation usually did not include the new equipment. Raffle items were often repeated in this account.

- ◆ In part (e), again the heading was often missing or wrong. Subscriptions owing and prepaid were incorrectly treated, and the Finance by section was very poorly tackled.

Question 2

- ◆ Headings were missing or incorrect.
- ◆ A large number of candidates repeated items in the Manufacturing Account in the Profit and Loss Account.
- ◆ A number of the labels were misplaced or missing.
- ◆ Factory Overheads were often deducted instead of added.
- ◆ Ordinary Shares were often included in the Profit and Loss Account.
- ◆ Division of Salaries and Insurance to Manufacturing and Profit and Loss caused many candidates a problem.
- ◆ Corporation tax was included in the Manufacturing Account by a number of candidates.
- ◆ Sales were included in the Manufacturing Account.

Question 3

- ◆ In part A (a), the only consistent error was that drawings were often included in the Appropriation Account.
- ◆ In part A (c), drawings were often included in the Financed By section.
- ◆ Part B was very poorly attempted by almost all candidates. If the figures were correct the nomenclature/account was generally incorrect.
- ◆ Part C, bank reconciliation theory, was very poorly handled.

Question 5

- ◆ In part A (a), the only issue was inclusion of equipment rather than depreciation.
- ◆ Part C was very poorly tackled, despite theory on stock valuation having been asked on a number of occasions in the past. Candidates still gave answers that were not appropriate, eg no mention of value or price.

Question 6

- ◆ In part A the heading was often missing or wrong. The Van was often entered as a receipt rather than a payment.
- ◆ Part B was tackled this better but candidates still lost marks calculating the CPU.
- ◆ In Part C, Absorption rates were generally given rather than the Bases of Apportionment asked for.

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 headings, 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 appear unprepared for these questions.
- ◆ Teachers should share advice given in this report and previous reports with candidates before the exam.

Statistical information: update on Courses

Intermediate 2

Number of resulted entries in 2012	286
------------------------------------	-----

Number of resulted entries in 2013	304
------------------------------------	-----

Statistical information: Performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark 160				
A	36.8%	36.8%	112	102
B	14.8%	51.6%	45	86
C	20.1%	71.7%	61	70
D	7.9%	79.6%	24	62
No award	20.4%	100.0%	62	-

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.