

Advanced Higher Accounting Course/Unit Support Notes



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Please refer to the note of changes at the end of this document for details of changes from previous version (where applicable).

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Introduction

These support notes are not mandatory. They provide advice and guidance on approaches to delivering and assessing the Advanced Higher Accounting Course. They are intended for teachers and lecturers who are delivering the Course and its Units.

These support notes cover both the Advanced Higher Course and the Units in it.

The Advanced Higher Course/Unit Support Notes should be read in conjunction with the relevant:

Mandatory Information:

- ◆ Course Specification
- ◆ Course Assessment Specification
- ◆ Unit Specifications

Assessment Support:

- ◆ Specimen and Exemplar Question Papers and Marking Instructions
- ◆ Exemplar Question Paper Guidance
- ◆ Guidance on the use of past paper questions
- ◆ Coursework Information:
 - General assessment information
 - Coursework Assessment Task*
- ◆ Unit Assessment Support*

*These documents are for assessors and are confidential. Assessors may access these through the SQA Co-ordinator in their centres.

Related information

Advanced Higher Course Comparison

Further information on the Course/Units for Advanced Higher Accounting

This information begins on page 15 and both teachers and learners may find it helpful.

General guidance on the Course/Units

Aims

At Advanced Higher level, Accounting provides learners with a wide range of skills that will enable them to understand, prepare and interpret complex financial information, and use this to evaluate an organisation's financial performance.

The Course aims to enable learners to:

- ◆ develop skills in preparing complex accounting information with a high degree of accuracy and precision
- ◆ analyse and evaluate complex accounting information to aid planning, control and decision making in business and making informed judgements to support management teams
- ◆ develop an in-depth understanding of the principles which underpin costing
- ◆ gain an understanding of the regulatory framework that underpins the production of accounting information of public limited companies for external use
- ◆ apply the use of information technology in complex accounting tasks
- ◆ gain an understanding of the importance of the effective management of finance and how this contributes to successful organisations and a thriving economy

Progression

In order to do this Course, learners should have achieved the Higher Accounting Course.

Learners who have achieved this Advanced Higher Course may progress to further study, employment and/or training. Opportunities for progression include:

- ◆ Progression to other SQA qualifications:
 - Progression to other qualifications at the same level of the Course, for example Professional Development Awards (PDAs), Higher National Certificates (HNCs)
- ◆ Progression to further/higher education:
 - For many learners, a key transition point will be to further or higher education, for example to Higher National Certificates (HNCs)/Higher National Diplomas (HNDs) or degree programmes. Examples of further and higher education programmes that learners doing the Course might progress to are Accounting and other related disciplines.

- Advanced Higher Courses provide good preparation for learners progressing to further and higher education, as learners doing Advanced Higher Courses must be able to work with more independence and less supervision. This eases their transition to further/higher education. Advanced Higher Courses may also allow ‘advanced standing’ or partial credit towards the first year of study of a degree programme.
- Advanced Higher Courses are challenging and testing qualifications: learners who have achieved multiple Advanced Higher Courses are regarded as having a proven level of ability which attests to their readiness for higher education in HEIs in other parts of the UK as well as in Scotland.
- ◆ Progression to employment:
 - For many learners, progression will be directly to employment or work-based training programmes. Examples of employment opportunities and training programmes are careers in accountancy within a wide range of industries in the private, public and third sectors.

This Advanced Higher is part of the Scottish Baccalaureate in Social Sciences.

The Scottish Baccalaureates in Expressive Arts, Languages, Science and Social Sciences consist of coherent groups of subjects at Higher and Advanced Higher level. Each award consists of two Advanced Highers, one Higher and an Interdisciplinary project which adds breadth and value and helps learners to develop generic skills, attitudes and confidence that will help them make the transition into higher education or employment.

Hierarchies

Hierarchy is the term used to describe Courses and Units which form a structured progression involving two or more SCQF levels.

This Advanced Higher Course is not in a hierarchy with the corresponding Higher Course or its Units.

Skills, knowledge and understanding covered in this Course

This section provides further advice and guidance about skills, knowledge and understanding that could be included in the Course.

Teachers and lecturers should refer to the *Course Assessment Specification* for mandatory information about the skills, knowledge and understanding to be covered in this Course.

The development of subject specific and generic skills is central to the Course. Learners should be made aware of the skills they are developing and of the

transferability of them. It is the transferability that will help learners with further study and enhance their personal effectiveness.

The tables below show where there are likely to be opportunities to develop mandatory skills in or across the Units. However, the delivery mode adopted and the approaches to learning and teaching will determine how and where the opportunities arise.

Mandatory Course coverage	Financial Accounting	Management Accounting
apply knowledge of the accounting regulatory framework to produce accounting information for external use	✓	
prepare published financial statements for public limited companies	✓	
apply knowledge and understanding to perform complex accounting procedures, which facilitate the dissolution of a partnership organisation	✓	
prepare accounting information for multiple-company entities	✓	
use standard costing and variance analysis techniques to report on business performance		✓
investigate a range of complex cost accounting techniques to help facilitate decision-making		✓
perform complex analysis of management accounting information to produce a range of different budgets to aid internal planning		✓
demonstrate knowledge and understanding in relation to the accountants role in highlighting corporate and social responsibility	✓	
use ICT to produce and communicate accounting information in a range of contexts	✓	✓
apply and relate the knowledge and understanding of fundamental accounting concepts and theories to a range of accounting procedures	✓	✓

Other skills developed	
Research	<ul style="list-style-type: none"> ◆ developing the ability to carry out research and interpret/evaluate information which will assist with decision making, eg the preparation of the project ◆ using financial pages/reports from business websites and relevant paper-based sources such as newspapers and accounting journals to find up-to-date financial and non-financial information
Communication	<ul style="list-style-type: none"> ◆ developing communication skills will permeate the Course — learners will be able to demonstrate their communication clearly both orally and in writing to highlight any issues from accounting information so that tactical and strategic decisions can be made ◆ using IT to present outcomes of learning
Decision making	<ul style="list-style-type: none"> ◆ developing the ability to identify business financial issues or problems and devising tactical or strategic solutions to these issues/problems
IT skills	<ul style="list-style-type: none"> ◆ developing IT skills by preparing financial statements using spreadsheets, ensuring that appropriate formulae is inserted into the spreadsheet during the preparation process ◆ using word processing software to produce reports and results on research tasks undertaken
Application of knowledge and understanding of underpinning theory	<ul style="list-style-type: none"> ◆ applying financial concepts and theories to the preparation of financial documents and statements when required

For more information see Appendix 1.

Approaches to learning and teaching

Advanced Higher Courses place more demands on learners as there will be a higher proportion of independent study and less direct supervision. Some of the approaches to learning and teaching suggested for other levels (in particular, Higher) may also apply at Advanced Higher level but there will be a stronger emphasis on independent learning.

For Advanced Higher Courses, a significant amount of learning may be self-directed and require learners to demonstrate a more mature approach to learning and the ability to work on their own initiative. This can be very challenging for some learners, who may feel isolated at times, and teachers and lecturers should have strategies for addressing this. These could include, for example, planning time for regular feedback sessions/discussions on a one-to-one basis and on a group basis led by the teacher or lecturer (where appropriate).

Teachers and lecturers should encourage learners to use an enquiring, critical and problem-solving approach to their learning. Learners should also be given the opportunity to practise and develop research and investigation skills and higher order evaluation and analytical skills. The use of Information and Communications Technology (ICT) can make a significant contribution to the development of these higher order skills as research and investigation activities become more sophisticated.

Learners will engage in a variety of learning activities as appropriate to the subject, for example:

- ◆ engaging in wide-ranging independent reading
- ◆ researching information for their subject rather than receiving information from their teacher or lecturer, eg making use of the internet to draw conclusions about specific issues and to source up-to-date information
- ◆ recording in a systematic way the results of research and independent investigation from different sources and drawing conclusions from complex information
- ◆ using active and open-ended learning activities such as case studies, eg making use of national or multinational businesses to contextualise learning
- ◆ engaging in a mix of collaborative, co-operative or independent tasks where they can demonstrate skills in constructing and sustaining lines of argument to provide challenge and enjoyment, breadth and depth of learning
- ◆ using real-life contexts and experiences familiar and relevant to young people, eg Young Enterprise
- ◆ making use of input from external contributors
- ◆ using appropriate technological resources, eg web-based resources
- ◆ using appropriate media resources, eg video clips
- ◆ using online file sharing/virtual learning environments to provide learners with opportunities to undertake work independently

Teachers and lecturers should support learners by having regular discussions with them and giving regular feedback. Some learning and teaching activities may be carried out on a group basis and, where this applies, learners could also receive feedback from their peers.

Teachers and lecturers should, where possible, provide opportunities to personalise learning for individuals, and to enable them to have choices in approaches to learning and teaching. The flexibility in Advanced Higher Courses and the independence with which learners carry out the work lend themselves to this. Teachers and lecturers should also create opportunities for, and use, inclusive approaches to learning and teaching. This can be achieved by encouraging the use of a variety of learning and teaching strategies which suit the needs of all learners. Innovative and creative ways of using technology can also be valuable in creating inclusive learning and teaching approaches.

Centres are free to sequence the teaching of the Outcomes, Units and/or Course in any order they wish. There are a number of approaches which may be taken in delivering this Course and the approach chosen will depend on the teaching time and tutorial time available within the centre.

Centres should remember that learning in the Course should be contextualised to **public limited companies and multi entity (group) organisations** as they are the business structures covered in this Course. Centres should also ensure that they teach the most up-to-date information available, since things like terminology, names of organisations and relevant legislation are subject to regular and on-going change.

There may be opportunities to contextualise approaches to learning and teaching to Scottish contexts in this Course. This could be done through mini-projects or case studies, eg by using extracts from a Scottish plc's annual report.

Developing skills for learning, skills for life and skills for work

The following skills for learning, skills for life and skills for work should be developed in this Course.

Skill	How it is developed
Numeracy	<ul style="list-style-type: none"> ◆ carrying out numerical calculations, eg when completing flexible budgets, final accounts, costing statements ◆ gathering accounting information from a range of sources and presenting it in the most appropriate manner to aid interpretation or decision making ◆ interpreting and extracting information from tables, charts, graphs or diagrams to help make informed decisions
Employability, enterprise and citizenship	<ul style="list-style-type: none"> ◆ demonstrating an understanding of how commercial businesses work ◆ encouraging autonomy/initiative through personal research ◆ developing skills that allow learners to enter the world of work, such as exploring financial-based career opportunities ◆ improving ICT skills for a technology-driven society ◆ working with others ◆ meeting deadlines, being proactive in task management
Thinking skills	<ul style="list-style-type: none"> ◆ using accounting concepts, theories and vocabulary in the correct setting ◆ using case studies/scenarios ◆ setting concepts in real-life examples ◆ sharing information and explaining its importance ◆ using information to solve problems ◆ planning, organising and completing tasks ◆ producing financial information to assist management in making tactical and strategic decisions ◆ evaluating solutions and providing advice based on their analysis

Teachers and lecturers should ensure that learners have opportunities to develop these skills as an integral part of their learning experience.

It is important that learners are aware of the skills for learning, skills for life and skills for work that they are developing in the Course and the activities they are involved in that provide realistic opportunities to practise and/or improve them.

At Advanced Higher level it is expected that learners will be using a range of higher order thinking skills. They will also develop skills in independent and autonomous learning.

Approaches to assessment

Assessment in Advanced Higher Courses will generally reflect the investigative nature of Courses at this level, together with high-level problem-solving and critical thinking skills and skills of analysis and synthesis.

This emphasis on higher order skills, together with the more independent learning approaches that learners will use, distinguishes the added value at Advanced Higher level from the added value at other levels.

There are different approaches to assessment, and teachers and lecturers should use their professional judgement, subject knowledge and experience, as well as understanding of their learners and their varying needs, to determine the most appropriate ones and, where necessary, to consider workable alternatives.

Assessments must be fit for purpose and should allow for consistent judgements to be made by all teachers and lecturers. They should also be conducted in a supervised manner to ensure that the evidence provided is valid and reliable.

Unit assessment

Assessments must ensure that the evidence generated demonstrates, at the least, the minimum level of competence for each Unit. Teachers and lecturers preparing assessment methods should be clear about what that evidence will look like.

Sources of evidence likely to be suitable for Advanced Higher Accounting Units could include:

- ◆ meaningful contribution to group work and/or discussions, eg making use of log books, blogs, question and answer sessions to confirm individual learners have met the required standards
- ◆ various forms of e-assessment, eg e-portfolios
- ◆ presentation of information to other groups and/or recorded oral evidence
- ◆ interpretation of numerical data
- ◆ answers to multiple choice questions
- ◆ short written responses
- ◆ written answers from completing a question paper
- ◆ printouts of completed tasks

Evidence should include the use of appropriate accounting terminology and standardised layouts where appropriate.

Flexibility in the method of assessment provides opportunities for learners to demonstrate attainment in a variety of ways and so reduce barriers to attainment.

The structure of an assessment used by a centre can take a variety of forms, for example:

- ◆ Individual pieces of work could be collected in a folio as evidence for Outcomes and Assessment Standards.
- ◆ An assessment could cover each complete Outcome.
- ◆ An assessment could combine the Outcomes of one or more Units.
- ◆ An assessment could require more than the minimum competence, which would allow learners to prepare for the Course assessment.

Teachers and lecturers should note that learners' day-to-day work may produce evidence which satisfies assessment requirements of a Unit, or Units, either in full or partially. Such naturally-occurring evidence may be used as a contribution towards Unit assessment. However, such naturally-occurring evidence must still be recorded and evidence such as written reports, recording forms, PowerPoint slides, drawings/graphs, video footage or observational checklists provided.

Combining assessment across Units

Units will be assessed on a pass/fail basis. All Units are internally assessed against the requirements shown in the Unit Specification. Each Unit can be assessed on an individual Outcome-by-Outcome basis or via the use of combined assessment for some or all Outcomes.

A combined approach to assessment will enrich the assessment process for the learner, avoid duplication of tasks and allow more emphasis on learning and teaching. Evidence could be drawn from a range of activities for a combined assessment. Care must be taken to ensure that combined assessments provide appropriate evidence for all the Outcomes that they claim to assess.

Combining assessment will also give centres more time to manage the assessment process more efficiently. When combining assessments across Units, teachers/lecturers should use e-assessment wherever possible. Learners can easily update portfolios, electronic or written diaries and recording sheets.

For some Advanced Higher Courses, it may be that a strand of work which contributes to a Course assessment method is started when a Unit is being delivered and is completed in the Course assessment. In these cases, it is important that the evidence for the Unit assessment is clearly distinguishable from that required for the Course assessment.

Preparation for Course assessment

Each Course has additional time which may be used at the discretion of the teacher or lecturer to enable learners to prepare for Course assessment. This time may be used near the start of the Course and at various points throughout the Course for consolidation and support. It may also be used for preparation for

Unit assessment, and, towards the end of the Course, for further integration, revision and preparation and/or gathering evidence for Course assessment.

For this Advanced Higher Course, the assessment methods for Course assessment are a question paper and a project. Learners should be given opportunities to practise these methods and prepare for them.

Examples of activities to include within this preparation time include:

- ◆ preparing for the components of Course assessment, for example:
 - preparing for non-question paper components: selecting topics, gathering and researching information, evaluating and analysing findings, developing and justifying conclusions, presenting the information (as appropriate)
 - practising and refining practical skills
- ◆ practising question paper techniques, revising for the question paper, for example:
 - practising accounting techniques such as appropriate layouts and presentation
 - practising questions using appropriate examples and command words that assist learners in developing their solutions and responses

In relation to preparing for the project, teachers and lecturers should explain requirements to learners and the amount and nature of the support they can expect. However, at Advanced Higher level it is expected that learners will work with more independence and less supervision and support.

Authenticity

In terms of authenticity, there are a number of techniques and strategies to ensure that learners present work that is their own. Teachers and lecturers should put in place mechanisms to authenticate learner evidence.

In Advanced Higher Courses, because learners will take greater responsibility for their own learning and work more independently, teachers and lecturers need to have measures in place to ensure that work produced is the learner's own work.

For example:

- ◆ regular checkpoint/progress meetings with learners
- ◆ short spot-check personal interviews
- ◆ checklists which record activity/progress

For more information, please refer to SQA's [Guide to Assessment](#).

Added value

Advanced Higher Courses include assessment of added value which is assessed in the Course assessment.

Information given in the *Course Specification* and the *Course Assessment Specification* about the assessment of added value is mandatory.

In Advanced Higher Courses, added value involves the assessment of higher order skills such as high-level and more sophisticated investigation and research skills, critical thinking skills and skills of analysis and synthesis. Learners may be required to analyse and reflect upon their assessment activity by commenting on it and/or drawing conclusions with commentary/justification. These skills contribute to the uniqueness of Advanced Higher Courses and to the overall higher level of performance expected at this level.

In this Course, added value will be assessed by means of a question paper and a project.

The question paper is used to assess whether the learner can apply the skills, knowledge and understanding of accounting procedures from across the Course. Learners will be required to demonstrate greater depth or extension of skills, knowledge and understanding than those assessed in the Units of the Course.

The project is used to assess a wide range of high-order cognitive and practical skills. For example, the project develops a number of high-order skills and brings them together, such as skills relating to planning, analysis, synthesis, evaluation and report-writing.

The learner will carry out a significant part of the work for the project independently with minimal supervision.

Equality and inclusion

It is recognised that centres have their own duties under equality and other legislation and policy initiatives. The guidance given in these *Course/Unit Support Notes* is designed to sit alongside these duties but is specific to the delivery and assessment of the Course.

It is important that centres are aware of and understand SQA's assessment arrangements for disabled learners, and those with additional support needs, when making requests for adjustments to published assessment arrangements. Centres will find more guidance on this in the series of publications on Assessment Arrangements on SQA's website: www.sqa.org.uk/sqa/14977.html.

The greater flexibility and choice in Advanced Higher Courses provide opportunities to meet a range of learners' needs and may remove the need for learners to have assessment arrangements. However, where a disabled learner needs a reasonable adjustment/assessment arrangements to be made, you should refer to the guidance given in the above link.

Further information on Course/Units

Financial Accounting

Aims

The general aim of this Unit is to allow learners to develop skills in preparing complex financial accounting information for public limited companies with a high degree of accuracy and precision. They will carry out learning activities that allow them to investigate, analyse and report on the organisation's current financial position and performance. Learners will also gain an in-depth understanding of the regulatory framework governing published financial statements.

Learners who complete this Unit will be able to:

- ◆ use knowledge and understanding of financial accounting information to explain the external reporting process
- ◆ prepare financial accounting information suitable for external publication

The following table gives examples of learning and teaching activities that may be used when delivering the Course. This would be classified as naturally-occurring evidence which could be used to demonstrate that the learner has met the Assessment Standards within the Unit Specification. Centres should also ensure that they teach the most up-to-date information available, since things like terminology, names of organisations and relevant legislation are subject to regular and on-going change.

There are a number of assessment strategies that could be used in this Unit, including:

- ◆ completing computer- or paper-based accounting tasks that include short answer theory questions
- ◆ submitting a portfolio of tasks

Approaches to learning, teaching and assessment

Topic	Detail	Possible strategies/approaches
Regulatory framework	<ul style="list-style-type: none"> ◆ Role/scope of the Financial Reporting Council (FRC), Accounting Council, and International Accounting Standards Board (IASB) ◆ Procedure for the development of International Accounting Standards ◆ concepts underpinning the preparation and presentation of accounting information (eg FRC statement of principles, IASB conceptual framework) ◆ Current practices and developments pertaining to Accounting Standards 	<ul style="list-style-type: none"> ◆ web research, textbook research, visiting speakers, presentations
Annual reports	<ul style="list-style-type: none"> ◆ Purpose ◆ Content <ul style="list-style-type: none"> — Chairperson's statement — Director's report — Corporate Governance — Corporate Social Responsibility (CSR) report — Audit report — Financial statements — Notes to the accounts ◆ Stakeholders 	<ul style="list-style-type: none"> ◆ using examples of reports generated by nationally/internationally renowned plcs to set the scene of the Unit and the Course ◆ downloading annual reports of a plc and, working in pairs/small groups (as applicable), discussing the contents to obtain an overview of what is included and why, and to whom it is aimed ◆ using presentation software to illustrate key learning points
Published financial statements	<p>Preparation of an Income Statement (<i>Trading and Profit and Loss Account</i>) which takes account of:</p> <ul style="list-style-type: none"> ◆ revenue ◆ cost of sales ◆ gross profit or loss ◆ distribution and administration expenses ◆ other operating or investment income ◆ interest or financial charges ◆ profit before and after tax 	<ul style="list-style-type: none"> ◆ completing partially prepared electronic templates to illustrate and emphasise the presentation layouts required ◆ practising making appropriate adjustments after teacher-led demonstrations of how to do them ◆ dynamically linking sheets within a spreadsheet file to demonstrate the integrative nature of financial accounting ◆ completing tasks to prepare financial

Topic	Detail	Possible strategies/approaches
	<ul style="list-style-type: none"> ◆ Corporation Tax ◆ paid dividends ◆ retained profit <p>Preparation of a Statement of Financial Position (<i>Balance Sheet</i>) where items are grouped using the following headings:</p> <ul style="list-style-type: none"> ◆ non-current assets — intangible, tangible, investments ◆ current assets ◆ current liabilities ◆ non-current liabilities ◆ equity — capital and reserves <p>Preparation of a Statement of Cash Flow in accordance with the current accounting standard and should include statements for:</p> <ul style="list-style-type: none"> ◆ reconciliation of operating profit to net cash flow statement ◆ operating activities, investing activities and financing activities 	<p>statements</p>
Notes to the accounts	<ul style="list-style-type: none"> ◆ disclosure of the accounting policies, eg depreciation and a note of any changes in these policies ◆ detailed explanation of any deviation from accounting standards ◆ sources of revenue from different geographical markets ◆ details of non-current assets, investments, share capital, debentures and reserves ◆ directors' emoluments — pensions, earnings and other benefits 	<ul style="list-style-type: none"> ◆ drawing up hypothetical 'Notes to accounts' ◆ downloading annual reports of a plc and, working in pairs/small groups (as applicable), discussing the contents of the 'Notes to the accounts'

Topic	Detail	Possible strategies/approaches
Basic consolidated statements of financial position	Purpose of consolidated statements of financial position for: <ul style="list-style-type: none"> ◆ parent and subsidiary undertaking ◆ parent company with a maximum of one subsidiary company Preparation of consolidated financial statements taking account of: <ul style="list-style-type: none"> ◆ goodwill ◆ non-controlling interests ◆ inter-company transactions ◆ post-acquisition profits ◆ unrealised profits 	<ul style="list-style-type: none"> ◆ completing partially prepared manual/electronic templates to illustrate and emphasise the techniques required ◆ practising making appropriate calculations after teacher-led demonstrations of how to do them ◆ completing tasks to prepare consolidated statements of financial position
Corporate Social Responsibility (CSR)	Definition and reasons for companies reporting on their corporate and social responsibilities. Companies typically demonstrate CSR using the following categories: <ul style="list-style-type: none"> ◆ environmental ◆ ethical ◆ social ◆ sustainability 	The following techniques may be used to establish definitions and reasons: <ul style="list-style-type: none"> ◆ web research, textbook research ◆ Examples of CSR policies of local/national plcs may be used to enhance understanding. ◆ Presentation software may be used to illustrate key learning points.
Partnership accounts	<ul style="list-style-type: none"> ◆ dissolution of partnerships ◆ realisation account 	<ul style="list-style-type: none"> ◆ completing partially prepared electronic templates to illustrate and emphasise the presentation layouts required ◆ practising making appropriate calculations after teacher-led demonstrations of how to do them

Management Accounting

Aims

The general aim of this Unit is to develop and enhance skills, knowledge and understanding relating to the provision of internal accounting information, and the ability to use a range of complex accounting techniques. Learners will carry out a range of activities to identify and calculate costs. Learners will gain an in-depth understanding of the significant impact that management accounting information has on the planning, control and decision making within a business. This will give learners the opportunity to provide solutions which can assist in future business financial planning.

Learners who complete this Unit will be able to:

- ◆ use knowledge and understanding of management accounting information for business planning and control purposes
- ◆ use management accounting techniques to generate information which aids business decision-making

The following table gives examples of learning and teaching activities that may be used when delivering the Course. This would be classified as naturally-occurring evidence which could be used to demonstrate that the learner has met the Assessment Standards within the Unit Specification. Centres should also ensure that they teach the most up-to-date information available, since things like terminology, names of organisations and relevant legislation are subject to regular and on-going change.

There are a number of assessment strategies that could be used in this Unit, including:

- ◆ completing computer- or paper-based accounting tasks that include short answer theory questions
- ◆ submitting a portfolio of tasks

Approaches to learning, teaching and assessment

Topic	Detail	Possible strategies/approaches
Activity-based costing (ABC)	Activity-based costing including: <ul style="list-style-type: none"> ◆ cost pools ◆ cost drivers ◆ advantages and disadvantages 	The following techniques may be used to enhance the learning experience: <ul style="list-style-type: none"> ◆ brain storming, textbook research, visiting speakers from representatives of the manufacturing sector, presentations
Contract costing	Knowledge and understanding of the terminology relating to contract costing. Preparation of contract costing statement for single and multiple contracts including: <ul style="list-style-type: none"> ◆ opening balances in contract account ◆ direct costs ◆ allocation of fixed overheads ◆ treatment of establishment expenses ◆ calculation of notional profit and profit recognised ◆ treatment of anticipated losses 	<ul style="list-style-type: none"> ◆ textbook research

Topic	Detail	Possible strategies/approaches
Marginal and absorption costing	<p>Distinguish between marginal and absorption costing techniques.</p> <ul style="list-style-type: none"> ◆ preparation of costing and profit statements, valuing inventory in absorption costing by application of normal activity ◆ identification of contribution ◆ calculation of closing inventory values using both methods ◆ calculation of over- and under-absorption of overheads using both methods ◆ advantages and disadvantages of marginal and absorption costing 	<ul style="list-style-type: none"> ◆ completing partially prepared manual/electronic templates to illustrate and emphasise the techniques required ◆ textbook research
Investment appraisal — discounted cash flow (NPV and IRR)	<p>Definition of and necessity for discounted cash flow for investment/project appraisal.</p> <p>Evaluation of the different methods of appraisal.</p> <p>Advantages and disadvantages.</p> <p>Preparation of investment appraisal of two mutually exclusive projects using:</p> <ul style="list-style-type: none"> ◆ net present value ◆ internal rate of return ◆ profitability index 	<ul style="list-style-type: none"> ◆ completing partially prepared manual/electronic templates to illustrate and emphasise the techniques required ◆ using ICT to produce reports on investment decision based on hypothetical scenario

Topic	Detail	Possible strategies/approaches
Standard costing	<p>Flexible budgeting:</p> <ul style="list-style-type: none"> ◆ knowledge and understanding of the rationale behind flexible budgeting ◆ preparation of flexible budgets for a range of output <p>Variance analysis.</p> <p>An understanding of the theory relating to standard costing:</p> <ul style="list-style-type: none"> ◆ an understanding of basic, ideal, and currently attainable standards ◆ problems, advantages and disadvantages of standard costing <p>Calculation of variances based on standard costs for actual output for:</p> <ul style="list-style-type: none"> ◆ material: cost, price and usage ◆ labour: cost, rate and efficiency ◆ fixed and variable overhead variances: expenditure, volume, efficiency and cost ◆ sales: revenue, price and volume <p>Reasons for variances and the relationship between variances.</p> <p>Statement showing the reconciliation of budgeted and actual profits.</p>	<ul style="list-style-type: none"> ◆ The following techniques may be used to establish definitions and reasons: brain storming, flipcharts, web research, textbook research. ◆ Presentation software may be used to illustrate key learning points. ◆ Partially prepared manual/electronic templates could be completed to illustrate and emphasise the techniques required. ◆ DVD/video clips may be used to help illustrate decisions made when analysing variances.

Course assessment: Question paper

Further information on the question paper Component of Course assessment can be found in:

- ◆ *Advanced Higher Accounting Course Assessment Specification*
- ◆ *Guidance on the use of past paper questions for Advanced Higher Accounting*

Further information about the content of expected responses and the structure of possible responses is provided in sample question papers. These papers are available on the Advanced Higher subject page of SQA's website.

Course assessment: Project

Further information on the project Component of Course assessment can be found in:

- ◆ *Advanced Higher Accounting Course Assessment Specification*
- ◆ *Advanced Higher Accounting General Assessment Information*
- ◆ *Advanced Higher Accounting Coursework assessment task*

The *Advanced Higher Accounting Coursework assessment task* includes further information specifically aimed at candidates to follow when completing the project as part of the Course assessment. This information can be found on SQA's secure site and is available via the SQA Co-ordinator.

Appendix 1: Reference documents

The following reference documents will provide useful information and background.

- ◆ Assessment Arrangements (for disabled candidates and/or those with additional support needs) — various publications are available on SQA's website at: www.sqa.org.uk/sqa//14977.html.
- ◆ [Building the Curriculum 4: Skills for learning, skills for life and skills for work](#)
- ◆ [Building the Curriculum 5: A framework for assessment](#)
- ◆ [Course Specification](#)
- ◆ [Design Principles for National Courses](#)
- ◆ [Guide to Assessment](#)
- ◆ Principles and practice papers for curriculum areas
- ◆ [SCQF Handbook: User Guide](#) and [SCQF level descriptors](#)
- ◆ [SQA Skills Framework: Skills for Learning, Skills for Life and Skills for Work](#)
- ◆ [Skills for Learning, Skills for Life and Skills for Work: Using the Curriculum Tool](#)
- ◆ [Coursework Authenticity: A Guide for Teachers and Lecturers](#)

Administrative information

Published: May 2015 (version 2.0)

History of changes to Advanced Higher Course/Unit Support Notes

Version	Description of change	Authorised by	Date
2.0	Changes made to 'Approaches to learning, teaching and assessment' grids to standardise with revised <i>Course Assessment Specification</i> , including the addition of a new topic 'Partnership Accounts'. Minor rewording throughout for clarification and updating of terminology.	Qualifications Development Manager	May 2015

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