

Principal Assessor Report 2002

Assessment Panel:

Financial Services and Accounting

Qualification area

**Subject(s) and Level(s)
included in this report**

Accounting and Finance — Higher

Statistical information: update

Number of entries in 2001	
Pre appeal	2,725
Post appeal	2,733

Number of entries in 2002	
Pre appeal	2,430
Post appeal	

General comments re entry numbers

Reduction of 295

Grade boundaries at C, B and A for each subject area included in the report

A	78
B	67
C	57

General commentary on grade boundaries

Notional percentage cut-offs for each grade

Question papers and their associated marking schemes are designed to be of the required standard and to meet the assessment specification for the subject/level concerned.

For National courses the examination paper(s) are set in order that a score of approximately 50% of the total marks for all components merits a grade C (based on the grade descriptions for that grade), and similarly a score of 70 % for a grade A. The lowest mark for a grade B is set by the computer software as half way between the C and A grade boundaries.

Comments on grade boundaries for each subject area

Significantly higher than 2001 due primarily to the inclusion of a question on overhead allocation (Question 7) which resulted in very high marks. This question was reasonably straightforward and did not tax candidates to any great extent.

Comments on candidate performance

General comments

Generally well done — paper generated high marks.

Areas of external assessment in which candidates performed well

Question 1	company account
Question 4	manufacturing account
Question 5	decision making
Question 7	overhead analysis

Areas of external assessment in which candidates had difficulty

Question 2(b)	effect on profit
Question 3(a)	cash flow
Question 6	marginal/absorption costing

Areas of common misunderstanding

None

Recommendations

Feedback to centres

Candidates performed well in both compulsory questions although very few dealt correctly with warehouse expenses and a minority did not appreciate the need to prioritise production based on contribution per hour.

Question 2 (a) was well done, but part (b) — effect on profit — was not.

Question 3 was not done by many candidates and those who did could not deal with part (a) and did only slightly better in part (b). The majority of candidates did not use average debtors or average creditors in calculating time periods and reasons for differences in ratios tended to be very simplistic, eg 'gross profit to sales has increased because there is more gross profit.'

Question 4 was by far the most popular choice and the vast majority of candidates tackled this well although many did not carry market value into the trading account and some started with Sales and included this in the manufacturing cost calculations.

Question 6 (b) was poorly done.

Question 7 was a popular choice and was well done by almost all candidates except for final calculation of mark-up.

Answers provided in Question 8 were acceptable although many found it difficult to calculate variable expenses. Many gave one answer for both payments, making the checking difficult especially without working.

Theory, as always, was the least well done part of the paper – many of the answers provided by candidates for Question 9 were limited to a few lines. Question 12 was very badly done by almost all of those who attempted it.