



## **Principal Assessor Report 2002**

**Assessment Panel:**

**Financial Services and Accounting**

**Qualification area**

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

**Accounting and Finance  
Standard Grade**

## Statistical information: update

<b>Number of entries in 2001</b>	
<b>Pre appeal</b>	4,003
<b>Post appeal</b>	4,003

<b>Number of entries in 2002</b>	
<b>Pre appeal</b>	3,580
<b>Post appeal</b>	N/A

## General comments re entry numbers

The number of candidates sitting Standard Grade Accounting and Finance has dropped again, but by a much bigger percentage than last year. Last year saw a drop of 7% whereas the drop this year is 11%, back to the level of the drop in the year 2000.

This continued drop in numbers is probably due to Senior Management in many schools making the decision that Business Education Departments will now concentrate on Business Management and Administration. As a result more schools are not offering Accounting & Finance as an option in S3.

## General comments

The overall ability of the Foundation/General candidate group was similar to previous years. Two-thirds of the candidates presented were in the General/Credit candidate group which was slightly better than previous years. The vast majority of candidates were presented at the appropriate levels.

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

### Knowledge and Understanding

Credit	1: 30-40	2: 22-29	7: 0-21
General	3: 32-43	4: 23-31	7: 0-22
Foundation	5: 26-41	6: 20-25	7: 0-19

### Handling Information

Credit	1: 30-47	2: 19-29	7: 0-18
General	3: 27-43	4: 19-26	7: 0-18
Foundation	5: 25-42	6: 17-24	7: 0-16

### Practical Abilities

Credit	1: 75-100	2: 50-74	3: 40-49	7: 0-39
General	3: 75-100	4: 50-74	5: 40-49	7: 0-39
Foundation	5: 75-100	6: 50-74	7: 0-49	

## Comments on grade boundaries for each subject area

### **Knowledge and Understanding**

The grade boundaries set at grades 3 and 4 were higher than previous years due to the paper being easier.

### **Handling Information**

The grade boundaries set at grades 5 and 6 were lower than previous years due to the paper being harder.

## **Comments on candidate performance**

### **General comments**

Overall candidates performed much as expected in both Knowledge and Understanding and Handling Information and teachers are to be commended for estimating candidate performance so accurately.

However, a large number of Foundation/General candidates did not perform at all well in the General paper.

### **Areas of external assessment in which candidates performed well**

#### **Knowledge and Understanding**

- Knowledge of documents, sources of finance and features of organisations at all levels.
- Items appearing in a Balance Sheet at Foundation and General levels
- Club and Banking terminology at General level.

#### **Handling Information**

- Document completion, Ledger entries, Final Accounts and Ratios at Foundation level.
- Document completion, Ledger entries and Cash Budgets at General level.
- Ledger entries and Final accounts of a Sole Trader at Credit level.

## Areas of external assessment in which candidates had difficulty

### Knowledge and Understanding

- Items entered in and differences between a Receipts & Payments Account and an Income & Expenditure Account were very poorly done at Foundation and General levels.
- Identification of Revenue Expenditure at Foundation level and both identification and handling in Final Accounts of Revenue and Capital Expenditure at Credit level was very poor.
- Very few, if any candidates, were able to provide an explanation of Carriage Outwards at General level.

### Handling Information

#### Foundation

- The only difficulty candidates had was labelling the “Unappropriated Profit” in the Profit & Loss Appropriation Account.

#### General

- A large number of candidates treated ‘Purchases’ as ‘Sales’ in the Ledger Accounts.
- The updating of the Bank Account was good but the Reconciliation Statement still causes major problems for many candidates.
- A large number of candidates seemed to think that ‘Drawings’ should go into a Partnership Appropriation Account and many reversed the entries in the Current Account.

#### Credit

- The completion of a ‘Statement’ was very poorly done with many candidates reversing the entries and very many giving the impression that they had not completed a ‘Statement’ before.
- The ledger entries regarding purchasing and returning stationery were poor with many treating it as ‘Purchases and Purchases Returns’.
- In Question 3a and b - most candidates were able to name the account and work out the balance but had major problems with making the entries to correct the errors.
- Handling of ‘Provisions for Depreciation and Bad Debts’ in the Profit & Loss Account continues to cause many candidates problems.

## Areas of common misunderstanding

- Question 4a at Foundation level required candidates to tick the correct boxes for items being entered in the Receipts & Payments and Income & Expenditure Accounts. The majority of candidates thought they had to tick either the Receipts & Payments or the Income & Expenditure column, whereas some items required them to tick the boxes in both columns.
- Question 3c at Credit level required candidates to “discuss” a statement referring to a Trial Balance. The majority of candidates’ answers failed to discuss the statement and only mentioned the errors. As a result they could not gain full marks for the question

## Feedback to centres

In addition to comments regarding areas where candidates had difficulty, it is recommended that centres address the following matters:

- Preparation of Statements of Account as part of ‘Documentation Completion’ at Credit level.
- Understanding of Revenue and Capital Expenditure.
- Provisions for Depreciation and Bad Debts in Final Accounts.