



External Assessment Report 2014

Subject(s)	Accounting
Level(s)	Intermediate 2

The statistics used in this report are prior to the outcome of any Post Results Services requests

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, labels were in the correct place on all questions.

Performance in all questions was improved on previous years.

In Section A of the paper — the Financial Section — Question 1 (the compulsory question) was based on the final accounts of a public limited company. This question was reasonably well done. In the choice of practical questions in this section, there was a balance of number of pupils choosing question 2 or 3. Both questions were done well. Theory in both questions was done reasonably well but not as well handled as the computational questions.

In Section B of the paper — the Management Section — Question 4 (the compulsory question) was based on a Cash Budget. This question was handled well. The majority of candidates chose Question 5 and performed extremely well in this question. Optional questions were generally very well handled, except for the absorption rate. The theory for the management section was also quite well done this year.

Areas in which candidates performed well

Question 1: plc accounts was generally well handled.

Question 2: Club Accounts was handled far better than in previous years.

Question 3: Part A — Manufacturing Accounts — was very well done.

Question 4: This question was very well attempted by the majority of candidates.

Question 5: Overhead Analysis was very well handled by those who chose this question.

Question 6: Process Costing was handled well.

Areas which candidates found demanding

Question 1

Part (a): Some candidates forgot to include discount received, or did not know how to deal with it. The most frequent errors were the calculations of provision for bad debts and the dividends.

Part (b): net debtors was frequently miscalculated. Also there were quite a number of candidates losing marks for leaving out a number of current liabilities, particularly dividends due, corporation tax and debenture interest due. Candidates still do not include the number or value of shares, and therefore cannot gain the maximum marks for this section.

Question 2

Part A

Part (b): calculation of the bank balance was poorly handled, with many candidates either not including the opening balance or not realising that it was a negative balance.

Part (d): interest on the loan was poorly handled. Also, candidates forgot to include the new equipment prior to calculating the depreciation.

Part B

Theory was very poorly handled. Some candidates scored a mark for naming the abbreviations, but very few candidates could explain the meaning of the term.

Question 3

Part B: the ratios were not done well, particularly Rate of Stock Turnover (although most candidates gained credit for the average stock), Return on capital employed and the debtors collection period.

Part C: bank reconciliation theory was very poorly handled.

Question 5

Part (d): the overhead absorption rate was poorly calculated or missed by most candidates.

Part (e): answers continue to be too simplistic and not based on the use of spreadsheets by accountants.

Question 6

Part C: the majority of candidates could name the terms but very few relate the terms to pricing of stock rather than physical issue of stock.

Advice to centres for preparation of future candidates

Teachers should check 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 this is crucial for success.

Time should be spent on theory. Candidates are losing what should be straightforward marks as they appear unprepared for these questions. In particular, candidates should be giving accounting answers when asked about software packages.

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

Statistical information: update on Courses

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

Number of resulted entries in 2014	191
------------------------------------	-----

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	48.2%	48.2%	92	107
B	18.3%	66.5%	35	91
C	11.5%	78.0%	22	75
D	4.2%	82.2%	8	67
No award	17.8%	-	34	-

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.