



Course Report 2015

Subject	Accounting
Level	National 5

The statistics used in this report have been compiled before the completion of any Post Results Services.

This report provides information on the performance of candidates which it is hoped will be useful to teachers, lecturers and assessors 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 assessment and marking instructions for the examination.

Section 1: Comments on the Assessment

Component 1: Question paper

This component performed as expected. The majority of candidates were able to gain marks in the less demanding questions, while the more demanding questions were accessible to the more able candidates.

Component 2: Assignment

As in the previous session, higher marks were gained in this component, though the difference in candidate performance between the two components was less pronounced. Despite the smaller difference, an adjustment to the Grade Boundaries was necessary.

Section 2: Comments on candidate performance

Component 1: Question Paper

Overall, candidates showed good knowledge of the syllabus. Of the two 30-mark questions, Question 2 (Management) was answered considerably better than Question 1 (Analysis). Of the four 10-mark questions, Questions 3 and 4 were answered considerably better than Questions 5 and 6.

Theory questions were again answered more poorly than computational questions. However, there was a slight improvement in candidate responses and, unlike in the previous session, candidates scored, on average, just above half marks for theory.

Component 2: Assignment

Candidate performance was good, and candidates scored well. Task 1 was more challenging for candidates than the other two and was where the bulk of marks were lost.

On the whole, candidates displayed good use of formulae, and formulae marks were high. However, there were still a considerable amount of candidates who did not use cell references when constructing formulae and as a result, lost these marks.

Section 3: Areas in which candidates performed well

Component 1: Question Paper

Question 1 (a): Candidates performed well in the simpler ratios where there was little or no requirement to calculate figures for a constituent part of the ratio. Subsequently, candidates performed well when calculating the Gross Profit Ratio, Profit for the Year ratio, Return on Equity Employed, Current Ratio, Acid Test Ratio, Trade Receivables Collection Period and Non-Current Asset Turnover Ratio.

Question 1 (c) (i): This was a well-answered computational question for 1 mark.

Question 2 (a) and (b): These were very well answered. The provision of an Overhead Analysis template appeared to help candidates. Candidates found part (b) more difficult but the majority were still able to re-apportion the service centre correctly.

Question 2 (d) (i): This was a well-answered theory question for 1 mark.

Question 3: This seemed to be a straightforward question as the majority of candidates scored well. A significant number though, thought Carriage In and Carriage Out were opposites in terms of Dr/Cr and lost a mark there.

Question 4: Candidates were able to complete the LIFO Inventory Record Card to a high level. Again, providing a template appeared to help candidates. On many occasions marks were lost by candidates not subtotalling the Balance column when there were two sets of inventories.

Question 6: Candidates on the whole, knew the layout of the 'top half' of the financial statement and were able to gain marks through knowledge of that layout.

Component 2: Assignment

Question 2: Although Decision Making with a Limiting Factor is traditionally one of the more demanding topics, candidates performed very well with the majority of marks being lost due to having incorrect formulae. Having a detailed template, highlighting exactly what was required in each cell, appeared to help candidate performance.

Question 3: This was very well answered by candidates with the majority of marks again being lost due to having incorrect formulae, along with a failure to delay credit sales. The majority of candidates were able to link worksheets when calculating Fixed Costs which was pleasing.

Section 4: Areas which candidates found demanding

Component 1: Question Paper

Question 1 (a): Where there was a requirement to calculate figures for a constituent part of the ratio, candidates frequently struggled even to attempt this, often just inserting a figure from the question. Subsequently, candidates performed poorly when calculating the Expenses Ratio, Rate of Inventory Turnover and, most acutely, the Trade Payables Payment Period. As these ratios had higher mark values, poorer candidate performance when calculating them brought the average score for this question down. In addition, many candidates lost marks by not rounding correctly (even though the question explicitly stated answers had to be correct to 2 decimal places), and also by not labelling their answers (even though the formulae worksheet instructed candidates as to how the ratios should be expressed).

Question 1 (b): Candidates found the analysis of possible differences in the ratios demanding. It was evident that whilst many candidates knew how to calculate ratios, they did not understand how ratios work.

Question 1 (c) (ii) and (iii): Although these questions, taken in isolation, seem very straightforward, they proved challenging for the candidates and were statistically the hardest questions in the paper with less than a quarter of candidates gaining marks.

Question 2 (c): Many candidates did not attempt to calculate the overtime.

Question 5: On average this question scored less than half marks and it was evident that many candidates found the completion of a Statement of Account demanding. Candidates found difficulty with all aspects of the question, namely the calculation of Cash Discount, the allocation of figures to the correct Dr/Cr column and also the wording of the nomenclature.

Question 6: Candidates lost marks mainly due to having incorrect/missing headings, the inclusion of Provision for Bad Debts as a Current Liability rather than a deduction from Trade Receivables, and also the inclusion of extraneous 'bottom half' items.

Component 2: Assignment

Question 1: This question scored significantly lower than the other two questions. In particular, candidates performed poorly when calculating the VAT on the Stationery purchase on 16 Jan, the Discount Received transaction on 20 Jan, and the calculation of the Cash Discount on 28 Jan. Many candidates did not create a new ledger for Pittodrie Electronics for the transaction on 23 Jan and also debited the Purchase account rather than the Equipment account.

Section 5: Advice to centres for preparation of future candidates

Component 1: Question Paper

Although only approximately 10% of the paper, theory still needs to be an area of candidates' focus — candidates are losing out on marks in fairly straightforward questions.

As a ratio formulae worksheet is now given to candidates in the exam, candidates need more practice in calculating the constituent parts of the ratios, rather than just the ratios themselves.

Candidates should be more aware of the principles of ratios analysis and try to gain more of an understanding as to possible reasons for differences in figures, year on year, or between firms.

Candidates need to be familiar with the preparation of all the Business Documents contained within the Course Assessment Specification.

Teachers should share advice given in this report with candidates before the exam.

Component 2: Assignment

Teachers should ensure candidates are familiar with cell references and use them wherever possible in every calculation undertaken by spreadsheet.

Statistical information: update on Courses

Number of resulted entries in 2014	777
------------------------------------	-----

Number of resulted entries in 2015	938
------------------------------------	-----

Statistical information: Performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark - 150				
A	45.6%	45.6%	428	109
B	22.0%	67.6%	206	94
C	16.8%	84.4%	158	79
D	5.5%	90.0%	52	71
No award	10.0%	-	94	-

Although an improvement on last year, the assignment for this Course still did not discriminate as intended. An adjustment to the grade boundaries was still required for this year.