



External Assessment Report 2011

Subject	Accounting
Level	Intermediate 1

The statistics used in this report are pre-appeal.

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 generally coped well with this year's exam paper.

In Section A of the paper — the Financial Section — Question 1 (the compulsory question) was based on the final accounts of a partnership. This question was by far the worst done of the paper. In the choice of practical questions in this section, a majority of candidates opted for Question 3 — Ratios and Petty Cash Statement. The Petty Cash Statement was done very well. The few candidates who chose Question 2 had a major problem with the bank reconciliation question. Theory in both questions, however, was not handled at all well.

In Section B of the paper — the Management Section — Question 4 (the compulsory question) based on Overhead Analysis was very well done as was the Spreadsheet theory. The optional questions were generally quite well handled, particularly Question 6 — Stock Valuation and Cash Budgets. The theory for the management section was well handled.

Areas in which candidates performed well

Question 1

Only the best candidates scored well in this question, however these candidates scored high marks.

Question 2

Although very few candidates attempted this question, those who did scored well on the Trial Balance part of the question.

Question 3

The majority of candidates completed this question. In Part A, the Petty Cash Statement was very well done.

Part B on Ratios was also generally well done.

Question 4

This question was very well done.

Part A (a) and (b) were completed very well. In addition, most candidates performed very well in the Spreadsheet questions in Part B.

Question 5

Fewer candidates attempted this question than Question 6.

Part B, the service cost statement, and Part C, the theory, were very well done.

Question 6

This question was the best handled in the management section with candidates completing both the Stock Record Card and Cash Budget very well.

The theory for this question was also very well done.

Areas which candidates found demanding

Areas within questions which candidates found challenging were:

Question 1

This question was the poorest completed question in the paper with only the best candidates scoring over 15 marks.

- ◆ The layout of the Profit and Loss account was poor.
- ◆ The appropriation account was not well handled or was missing.
- ◆ Labels were poor — missing or mixed up, eg Gross Profit and Net Profit.
- ◆ Capital was usually included extraneously in the Current Accounts.
- ◆ In the Financed By section the Current Account balances were usually the original balances rather than the updates figures and Drawings were often included.
- ◆ Very few candidates picked up any marks in the theory question.

Question 2

- ◆ Part B — Bank Reconciliation was very poorly attempted. The layout was poor and many candidates included all items in one statement.
- ◆ The theory was very poorly done especially the explanation of the Statement of Account — most candidates wrote about a Bank Statement.

Question 3

- ◆ In Part A, the only part that candidates had a problem was in restoring the imprest. Some candidates confused envelopes with postages instead of stationery.
- ◆ The only issue that candidates had in Part B was with the Return on Capital Employed.
- ◆ Candidates again experienced difficulty with the terms asked for in the theory questions.

Question 4

- ◆ Part A (c) was poorly done — very few candidates knew the formula for the overhead absorption rate.
- ◆ In Part B, some candidates put in figures rather than cell references in their answer.

Question 5

- ◆ Candidates continue to find Process Costing difficult to master. The Cost Per Unit was either poorly calculated or not calculated at all.
- ◆ Although both layouts were given for candidates many did not cope well with either.

Question 6

- ◆ Candidates had no problems with this question.

Advice to centres for preparation of future candidates

General

Teachers should check the special instructions for specific actions regarding errors which are frequently made by candidates, eg opening balances, extraneous items and labels.

Candidates should be encouraged to check the workbook for alternative layouts, eg Process Costing — so that they use the one that they have been used to using.

Time should be spent on theory as candidates are losing what should be straightforward marks as they appear unprepared for these questions.

Statistical information: update on Courses

Number of resulted entries in 2010	96
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Number of resulted entries in 2011	99
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Statistical information: performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark 120				
A	36.4%	36.4%	36	84
B	17.2%	53.5%	17	72
C	11.1%	64.6%	11	60
D	2.0%	66.7%	2	54
No award	33.3%	100.0%	33	-

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, therefore, SQA 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 Head of Service 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.