



## External Assessment Report 2012

Subject(s)	<b>Accounting</b>
Level(s)	<b>Intermediate 1</b>

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 appeared to be well prepared for the exam. Layouts were well followed and labels were in the correct place on all questions.

In Section A of the paper, the Financial section, Question 1 (the compulsory question) was based on the final accounts of a plc. This question was well done. In the choice of practical questions in this section, a majority of candidates opted for Question 3 — Petty Cash Statement and Invoice completion. The Petty Cash Statement was done very well. 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) was based on Service Costing and Process Costing. The Service Costing part was well done but the Process Costing part was poorly handled with many candidates only managing to deal with the inputs. The optional questions were generally very well handled. The theory for the Management section was again poorly handled.

## Areas in which candidates performed well

Question 1: Candidates treated adjustments well and labels were present — much better than in previous years.

Question 2: Fewer candidates attempted this question — again adjustments were handled well and ratio was very well done.

Question 3: Very well handled — Petty Cash Statement was very good as was the invoice completion.

Question 4: Service Costing was very well handled.

Question 5: Cash Budget section was very well done as was the job cost statement and wages calculation.

Question 6: The Overhead Analysis question was very well done indeed.

## Areas which candidates found demanding

### Question 1

Many candidates performed poorly on this question.

- ◆ Revenues were frequently added to expenses.
- ◆ Debentures frequently appeared in the Profit and Loss Account.
- ◆ VAT was frequently treated as a Current Asset.
- ◆ Depreciation was rarely calculated correctly.
- ◆ The order in the Financed By section was poorly handled.

## Question 2

This question was not completed by many candidates.

- ◆ Carriage in was not treated correctly — usually entered in the Profit and Loss Account.
- ◆ Discount Received was frequently entered as an expense.
- ◆ Stock was often mixed — Closing entered as figure and vice versa.

## Question 3

- ◆ The only recurring error in the Petty Cash Statement was the Envelopes entry in Postages instead of Stationery.
- ◆ Some candidates did not restore the imprest and a few did not complete the balance column.
- ◆ The partnership theory was poorly done with an average mark of 2/6.

## Question 4

- ◆ Too many candidates used the wrong layout for their answer. Candidates should be alerted to the fact that there are two possible layouts and to select the correct one for the way they have been taught.
- ◆ Process Costing continues to cause candidates difficulties — many only managing inputs.

## Question 5

- ◆ Loan was entered by a number of candidates in payments.
- ◆ Many candidates did not take account of the delay in receiving money from credit sales.
- ◆ Despite the theory on spreadsheets having been asked on a number of occasions in the past, candidates still give answers which are not appropriate for accounting.

## Question 6

- ◆ The only real issue with the Overhead Analysis sheet was arithmetical.
- ◆ The labels for the break-even chart were poorly done.
- ◆ The calculations for break-even were also poorly done.
- ◆ The theory for stock was very poor.

# **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.

Time should be spent ensuring that candidates learn layouts as this is crucial for success.

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

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

## Statistical information: update on Courses

### Intermediate 1

Number of resulted entries in 2011	99
------------------------------------	----

Number of resulted entries in 2012	69
------------------------------------	----

## 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	24.6%	24.6%	17	84
B	31.9%	56.5%	22	72
C	20.3%	76.8%	14	60
D	1.4%	78.3%	1	54
No award	21.7%	100.0%	15	-

## **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.