

Comparative document

(Version 1.0 April 2012 compared with Version 1.1 April 2014)

Higher Accounting Course Assessment Specification (C700 76)

The purpose of this document is to give a quick, visual guide to any amendments or clarifications made during the revision process.

Valid from August 2014

This edition: April ~~2012~~2014, version 1.0-1

This specification may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged. Additional copies of this Course Assessment Specification can be downloaded from SQA's website: www.sqa.org.uk.

Please refer to the note of changes at the end of this Course Assessment Specification for details of changes from previous version (where applicable).

© Scottish Qualifications Authority 2014

Course outline

Course title:	Higher Accounting
SCQF level:	6 (24 SCQF credit points)
Course code:	to be advised <u>C700 76</u>
Course assessment code:	to be advised <u>X700 76</u>

The purpose of the Course Assessment Specification is to ensure consistent and transparent assessment year on year. It describes the structure of the Course assessment and the mandatory skills, knowledge and understanding that will be assessed.

Course assessment structure

Component 1 — question paper	80 <u>100</u> marks
Component 2 — assignment	40 <u>50</u> marks
Total marks	120 <u>150</u> marks

This Course includes six SCQF credit points to allow additional time for preparation for Course assessment. The Course assessment covers the added value of the Course.

Equality and inclusion

This Course Assessment Specification has been designed to ensure that there are no unnecessary barriers to assessment. Assessments have been designed to promote equal opportunities while maintaining the integrity of the qualification.

For guidance on assessment arrangements for disabled learners and/or those with additional support needs, please follow the link to the Assessment Arrangements web page: www.sqa.org.uk/sqa/14977.html.

Guidance on inclusive approaches to delivery and assessment of this Course is provided in the *Course Support Notes*.

Assessment

To gain the award of the Course, the learner must pass all of the Units as well as the Course assessment. Course assessment will provide the basis for grading attainment in the Course award.

Course assessment

SQA will produce and give instructions for the production and conduct of Course assessments based on the information provided in this document.

Added value

The purpose of the Course assessment is to assess added value of the Course as well as confirming attainment in the Course and providing a grade. The added value for the Course will address the key purposes and aims of the Course, as defined in the Course Rationale. It will do this by addressing one or more of breadth, challenge, or application.

In this Course assessment, added value will focus on the following:

- ◆ breadth — drawing on knowledge and skills from across the Course
- ◆ challenge — requiring greater depth or extension of knowledge and/or skills
- ◆ application — requiring application of knowledge and/or skills in practical or theoretical contexts as appropriate

This added value consists of:

- ◆ retention of knowledge and understanding from across the Course when preparing accounting information
- ◆ integrating the theoretical and practical aspects of the Course
- ◆ applying and integrating, where appropriate, knowledge and understanding of financial, management and analysing accounting information techniques using ICT
- ◆ analysing and evaluating accounting information in given accounting contexts
- ◆ making decisions and communicating financial recommendations for given accounting contexts

Grading

Course assessment will provide the basis for grading attainment in the Course award.

The Course assessment is graded A–D. The grade is determined on the basis of the total mark for all Course assessments together.

A learner's overall grade will be determined by their performance across the Course assessment.

Grade description for C

For the award of Grade C, learners will have demonstrated successful performance in all of the Units of the Course. In the Course assessment, learners will typically have demonstrated successful performance in relation to the mandatory skills, knowledge and understanding for the Course.

Grade description for A

For the award of Grade A, learners will have demonstrated successful performance in all of the Units of the Course. In the Course assessment, learners will typically have demonstrated a consistently high level of performance in relation to the mandatory skills, knowledge and understanding for the Course.

Credit

To take account of the extended range of learning and teaching approaches, remediation, consolidation of learning and integration needed for preparation for external assessment, six SCQF credit points are available in Courses at National 5 and Higher, and eight SCQF credit points in Courses at Advanced Higher. These points will be awarded when a grade D or better is achieved.

Structure and coverage of the Course assessment

The Course assessment will consist of two Components: a question paper and an assignment. The question paper will have two Sections.

Component 1 — question paper

The purpose of this question paper is to provide learners with an opportunity to demonstrate breadth and application by drawing on, and applying, the skills, knowledge and understanding of accounting procedures from across the Course. Learners will be required to demonstrate greater depth or extension of skills, knowledge and understanding than those assessed in the Units of the Course.

The question paper will give learners an opportunity to demonstrate the following skills, knowledge and understanding by:

- ◆ selecting accounting information to determine business revenues, costs and profits in relatively complex contexts
- ◆ preparing accounting statements using computational techniques
- ◆ preparing, interpreting and analysing accounting information, some of which may be complex
- ◆ using accounting techniques to facilitate decision making
- ◆ applying knowledge and understanding of accounting concepts and theories in unfamiliar contexts
- ◆ evaluating business success on the basis of accounting information
- ◆ producing extended written responses to theory-based questions

The question paper will have ~~80~~100 marks.

The question paper has two Sections.

Section one will have ~~30~~40 marks and will consist of one mandatory ~~questions~~ question. ~~sampld from the full range of mandatory coverage.~~

Section two will have ~~50~~60 marks and will consist of three mandatory questions.

Questions from each section will be sampled from the ~~full range of~~ mandatory Course coverage. ~~Learners will select the questions from a limited choice. To~~ and will ensure ~~breadth of coverage, these questions will be drawn from there is no duplication of~~ content ~~not covered by the mandatory questions. and that there is a balanced coverage~~ across the Units.

The question paper will also assess knowledge and understanding of the underpinning accounting theory, which will account for up to 20% of the total mark allocation in the question paper (ie maximum ~~46~~20 marks).

Component 2 — assignment

The purpose of this assignment is to allow learners to demonstrate challenge and application. The assignment will provide learners with an opportunity to use ICT and accounting skills, knowledge and understanding to demonstrate investigative, analytical and decision making ability while undertaking a context-based assignment.

The assignment will require learners to demonstrate skills of research, analysis, decision making, use of ICT in an accounting context and application of knowledge and understanding by:

- ◆ researching and selecting appropriate data
- ◆ making appropriate use of spreadsheets and word processing to complete the assignment
- ◆ completing calculations with accuracy
- ◆ comparing and analysing a range of accounting information
- ◆ making decisions based on the analysis
- ◆ preparing a report outlining reasons for the decisions taken

The assignment will have 4050 marks.

The marks allocated to the skills element of the assignment are as follows:

- ◆ researching, processing and preparing accounting information — 40%
- ◆ analysis of accounting and other non-financial information — 40%
- ◆ use of ICT — 20%

For further details of the Course requirements, please see the 'Further mandatory information on Course coverage' section.

Setting, conducting and marking of assessment

Question paper

The question paper will be set and marked by SQA and conducted in centres under conditions specified for external examinations by SQA. Learners will complete this in two hours.

Controlled assessment — assignment

The assignment is:

- ◆ set by SQA on an annual basis
- ◆ conducted under some supervision and control

Evidence will be submitted to SQA for external marking.

All marking will be quality assured by SQA.

Setting the assessment

Set by SQA on an annual basis.

Conducting the assessment

~~Conducted under some supervision and control.~~

The assignment will be conducted under supervision and control to ensure that the work presented is the learner's own.

The assignment must be carried out:

- ◆ within the time period set and under the conditions specified by SQA
- ◆ in time to meet the submission date set by SQA
- ◆ on an individual basis by the learner

Further mandatory information on Course coverage

The following gives details of the mandatory skills, knowledge and understanding for the Higher Accounting Course. Course assessment will involve sampling the skills, knowledge and understanding. This list of skills, knowledge and understanding also provides the basis for the assessment of the Units of the Course.

When preparing learners for the Course assessment, please refer first to the 'Structure and coverage of the Course assessment' section.

Preparing Financial Accounting Information

Role of financial accounting	Users/uses of financial accounting information
Partnership	Legal definition, sources of finance, appropriation of <u>profit for the year</u> (net profit), current and capital accounts, partnership changes, goodwill and revaluation of assets
<u>PLC Public Limited Company (PLC)</u>	Legal definition, sources of finance, appropriation of <u>profit for the year</u> (net profit) including corporation tax, Financial Reporting Standards
<u>Manufacturing concerns Manufacturer</u>	Prime cost, production overheads, cost and/or market value of manufacture
Period-end financial statements	<ul style="list-style-type: none"> ◆ Preparation <u>preparation</u> of <u>income statement</u> (trading, profit and loss and appropriation account) for partnerships and Public Limited Companies (PLCs) ◆ Preparation, where applicable, <u>preparation</u> of manufacturing account ◆ Adjustments <u>adjustments</u> at year start and end for prepayments and accruals ◆ Diminishing <u>depreciation — using reducing</u> balance and revaluation-depreciation-straight line methodologies ◆ Changes <u>revaluation of non-current assets (fixed assets)</u> ◆ <u>changes</u> in provision for doubtful debts ◆ Preparation of <u>preparation of a statement of financial position</u> (balance sheet in line with current accounting practice) for partnerships and PLCs

Preparing Management Accounting Information

Role of management accounting	Users/uses of management accounting information
Costing	<ul style="list-style-type: none"> ◆ Material — weighted average cost (AVCO) using <u>inventory</u> (stock) control cards ◆ Overheads — overhead analysis statements including reapportionment of service department costs, calculation of overhead absorption rates, under/over absorption of fixed overheads ◆ <u>Job</u> cost statements ◆ Service <u>service</u> and process cost statements ◆
Budgeting	<ul style="list-style-type: none"> ◆ Principles <u>principles</u> and benefits of budgeting ◆ Preparation <u>preparation</u> of sales, production and cash budgets

Overhead analysis	Re-apportionment of overheads Calculation of overhead absorption rates Under/over-absorption of fixed overheads
-------------------	---

Analysing Accounting Information

Business analysis	<ul style="list-style-type: none"> ◆ Calculation<u>calculation</u> and interpretation of ratios ◆ Capital<u>capital</u> gearing, dividend yield, dividend cover, earnings per share, price/earnings ratio, interest cover ◆ Yardsticks<u>yardsticks</u> of comparison — intra and inter firm <p>Formulae to be provided for assessment.</p> <p>Non-financial performance indicators — social accounting, environmental issues</p>
Decision making	<p>Costing: mark-ups/margins to set selling prices/profit levels</p> <p>Use of marginal costing to determine product mix for profit maximisation with limiting factors</p> <ul style="list-style-type: none"> ◆ make or buy ◆ retain or close a factory or branch ◆ accept or reject special order contract <p>Investment appraisal</p>

Use of spreadsheet software throughout the Course to include:

- ◆ add, subtract, multiply and divide
- ◆ autosum function
- ◆ conditional formulae
- ◆ relative and absolute formulae, named cells
- ~~◆ copy relatively~~
- ~~◆ copy absolutely~~
- ◆ replicating formula
- ◆ working with multiple worksheets
- ~~◆ creation of charts from a range including pie, line, column~~
- ◆ print out in value view and print out in formulae view
- ◆ print out with ~~(or without)~~ gridlines, row ~~reference~~ and column reference

Administrative information

Published: April ~~2012~~2014 (version 1.01)

History of changes to Course Assessment Specification

Course details	Version	Description of change	Authorised by	Date
	<u>1.1</u>	<u>Some changes to wording within the Structure and coverage of the Course assessment section.</u> <u>Additional clarification provided in the Setting, conducting and marking of assessment section.</u> <u>Terminology changed to accommodate international accounting in the further mandatory information on Course coverage section.</u>	<u>Qualifications Development Manager</u>	<u>April 2014</u>

This specification may be reproduced in whole or in part for educational purposes provided that no profit is derived from reproduction and that, if reproduced in part, the source is acknowledged. Additional copies of this Course Assessment Specification can be downloaded from SQA's website at www.sqa.org.uk.

Note: You are advised to check SQA's website (www.sqa.org.uk) to ensure you are using the most up-to-date version of the Course Assessment Specification.

© Scottish Qualifications Authority 2014