



National 5
Course Assessment
Specification



National 5 Accounting Course Assessment Specification (C700 75)

Valid from August 2013

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

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Course outline

Course title:	National 5 Accounting
SCQF level:	5 (24 SCQF credit points)
Course code:	C700 75
Course assessment code:	X700 75

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	100 marks
Component 2 — assignment	50 marks
Total marks	150 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:

- ◆ demonstrating retention of knowledge and understanding from across the Course
- ◆ combining the theoretical and practical aspects of the Course
- ◆ integrating, where appropriate, the knowledge of financial, management and analysing accounting information using ICT
- ◆ analysing and evaluating accounting information in a given accounting context
- ◆ making decisions and communicating recommendations for a given accounting context

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 one — question paper

The purpose of this question paper is to address breadth and application by drawing on, and applying, 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.

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

- ◆ selecting straightforward accounting information to determine business revenues, costs and profits in unfamiliar contexts
- ◆ preparing, interpreting and analysing accounting information
- ◆ using accounting techniques to facilitate decision making
- ◆ applying knowledge and understanding of fundamental accounting concepts and theories
- ◆ evaluating business success on the basis of accounting information

The question paper will have 100 marks. All questions are mandatory.

The question paper has two Sections.

Section one will have 60 marks and will consist of two 30-mark questions which will be sampled from the full range of mandatory Course content.

Section two will have 40 marks and will consist of four 10-mark questions which will be sampled from the full range of mandatory Course coverage.

The question paper will also assess knowledge and understanding of theory and will account for approximately 10% of the total mark allocation in the question paper (ie approximately 10 marks).

Component two — assignment

The assignment will require learners to work through a series of tasks to prepare accounting information and financial statements using a spreadsheet. Learners may be required to use this information to aid decision making, analyse the organisation's financial position or make recommendations for the future. This will be done by integrating, where appropriate, knowledge of financial and management accounting principles and by using appropriate accounting analytical techniques.

The assignment will have 50 marks. The use of ICT in completing the assignment is mandatory.

The assignment will require learners to demonstrate skills of analysis, use of ICT in an accounting context and numeracy by:

- ◆ making appropriate use of spreadsheets to complete the assignment
- ◆ entering data with accuracy

- ◆ selecting and using appropriate formulae, formatting and printing functions to present information
- ◆ accurately completing all accounting work related to the context of the assignment

The assignment will draw on the skills, knowledge and understanding from the Course. It may draw from only one topic of the Course or a combination of two/three topics.

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 1 hour and 30 minutes.

Controlled assessment — assignment

The assignment is:

- ◆ set by SQA, on an annual basis
- ◆ conducted under a high degree of 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.

Conducting the assessment

Conducted under a high degree of supervision and control.

The assignment will be a computer-based assessment and will be provided by SQA on an annual basis.

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

The assignment must be carried out:

- ◆ within 3 hours and under the conditions specified by SQA
- ◆ in time to meet the submission date set by SQA
- ◆ on an individual basis by the learners
- ◆ without use of any reference materials

Further mandatory information on Course coverage

The following gives details of mandatory skills, knowledge and understanding for the National 5 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 Units of the Course.

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

The question paper and the assignment can draw on any of the mandatory content listed below.

Preparing Financial Accounting Information	
Role of financial accountant	Duties, scope and responsibilities of the financial accountant.
Business documents	Preparation of invoices, credit notes and statements. Preparation of business documents to include VAT and calculations where trade and cash discount are being allowed. Extraction of information for use in ledger accounts from the following documents invoices, copy invoices, credit notes, copy credit notes, cash receipts and bank accounts (including electronic funds transfer).
Recording entries in the ledger accounts of sole trader	Relating to: non-current (fixed) assets, income/expenses, non-current (long-term) liabilities, equity (capital), drawings. Expenses to be accounted for to include all general expenses, eg electricity, wages, etc bad debts, discount allowed and received, depreciation.
Preparing a trial balance	From ledger accounts.
Financial statements (Final accounts and balance sheet) of sole trader	Preparation of income statement (trading, profit and loss account) Adjustments <i>at year end</i> for: <ul style="list-style-type: none"> ◆ provision for straight line depreciation ◆ provision for bad debts ◆ payables and receivables (prepayments and accruals) (<i>of expenses only</i>) ◆ closing inventory (stock) Preparation of statement of financial position (balance sheet) in line with current accounting practice.
Correction of errors	Amendments to gross profit and/or profit for the year (net profit) as a result of identified errors. NB — a suspense account will not be required. Knowledge and understanding of different classification of errors.
Sources of finance	Knowledge and understanding of sources of finance for a sole trader.

Preparing Management Accounting Information	
Role of management accountant	Duties, scope and responsibilities of the management accountant.
Costing	<ul style="list-style-type: none"> ◆ Classification of fixed/variable/direct/indirect costs ◆ Material — calculate inventory (stock) values using first in first out (FIFO), last in first out (LIFO) using inventory (stock) control cards ◆ Labour — record and calculate wages using time/piece/flat rate methods of remuneration ◆ Overheads — production of overhead analysis statement showing apportionment and allocation of overheads to cost centres; re-apportionment of overheads ◆ Calculate unit cost of production ◆ Prepare job costing statements
Break-even	<p>Fixed and variable costs; contribution; calculation of break-even point (in units and currency); calculation of margin of safety (in units and currency); using formulae to ascertain units required to achieve a given profit; using formulae to ascertain profit/loss at a given amount of units.</p> <p>Identification of relevant costs and revenue information using charts.</p>
Budgeting	<ul style="list-style-type: none"> ◆ Basic principles and benefits of budgeting ◆ Preparation of cash budget for a time period of up to three months

Analysing Accounting Information	
Business analysis	<p>Calculation and interpretation of ratios</p> <ul style="list-style-type: none"> ◆ profitability <ul style="list-style-type: none"> — gross profit percentage (GP%) — profit for the year (net profit) percentage (NP%) — return on equity (capital) employed ROEE (ROCE) ◆ liquidity <ul style="list-style-type: none"> — current ratio — acid test ratio ◆ efficiency <ul style="list-style-type: none"> — rate of inventory (stock) turnover — expense ratio — trade receivables (debtors) collection period — trade payables (creditors) payment period — non-current (fixed) asset : turnover ratio ◆ Yardsticks of comparison — budget versus actual, past performance, industry average ◆ Limitations of ratio analysis
Decision making	<p>Break-even</p> <ul style="list-style-type: none"> ◆ analysis of impact on break-even point of changes to sales price/costs ◆ calculate changes required in selling price/contribution to maintain/improve existing profit levels <p>Budgeting</p> <ul style="list-style-type: none"> ◆ cash management of shortfalls and surpluses

	<ul style="list-style-type: none">◆ knowledge and understanding of ways to improve short-term cash flow Limiting factor <ul style="list-style-type: none">◆ profit maximisation under constraint of a limiting factor
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Use of spreadsheet software throughout the Course to include:

- ◆ add, subtract, multiply and divide
- ◆ autosum function
- ◆ relative and absolute formulae
- ◆ copy relatively
- ◆ copy absolutely
- ◆ working with multiple worksheets
- ◆ print out with (or without) gridlines, row reference and column reference

Administrative information

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History of changes to Course Assessment Specification

Version	Description of change	Authorised by	Date
1.1	Course assessment structure: marks changed from 100 to 150 (question paper 100, assignment 50). Structure and coverage of the Course assessment: all questions now mandatory in question paper. Minor amendments to 'Setting, conducting and marking of assessment' section. Assignment issued annually and timing confirmed at three hours. Clarification of content in mandatory information on Course coverage.	Qualifications Development Manager	June 2013
1.2	Terminology amended to accommodate international accounting standards.	Qualifications Manager	September 2014
1.3	Additional terminology amendment within the 'Further mandatory information on Course coverage' section.	Qualifications Manager	August 2015

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