



Accounting (National 5)

Draft National Course Assessment Specification



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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:	Accounting (National 5)
SCQF level:	5 (24 SCQF credit points)
Course code:	to be advised
Course assessment code:	to be advised

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	60 marks
Component 2 — assignment	40 marks
Total marks	100 marks

This Course includes six SCQF credit points for 40 additional programmed hours to allow 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 will be provided in the *Course Support Notes*.

Assessment

To gain the award of the Course, the learner must pass all 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 applying and extending learners' ability to:

- ◆ demonstrate the retention of knowledge from across the Course
- ◆ combine the theoretical and practical aspects of the Course
- ◆ integrate, where appropriate, the knowledge of financial, management and analysing accounting information techniques with ICT
- ◆ analyse and evaluate accounting information in a given business context
- ◆ make decisions and communicate recommendations for a given business 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 assess breadth and application by drawing on, and sampling, skills, knowledge and understanding from across the Course. Learners will require greater depth or extension of skills, knowledge, and understanding than assessed in other Units. It will require learners to demonstrate breadth and application of skills, knowledge and understanding of accounting procedures, some of which may have complex features.

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
- ◆ 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 60 marks (60% of the total mark).

This question paper has two Sections consisting of questions that combine the practical and theoretical aspects of the Course.

Section 1 will have 30 marks (50% of the paper total) and will consist of one mandatory question, which may be drawn from any aspect of the Course.

Section 2 will have 30 marks (50% of the paper total) and will consist of a choice of two from three questions.

Two of these optional questions will be drawn mainly from content that excludes reference to the mandatory question of Section one to ensure a degree of parity within the assessment.

The question paper will also assess knowledge and understanding of theory points and will account for up to 10% of the total mark allocation within the question paper Component.

Component two — assignment

The purpose of this assignment is to allow learners to demonstrate challenge and application by completing an ICT-based assignment which requires learners to apply their accounting skills, knowledge and understanding within the context of the assignment. 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 IT applications, such as spreadsheets, to complete the assignment
- ◆ entering data with accuracy
- ◆ selecting and using appropriate formulae, formatting and printing functions to present information
- ◆ comparing actual accounting information against forecasts
- ◆ accurately completing all accounting work related to the context of the assignment

The assignment will have 40 marks (40% of the total mark).

The marks allocated to the skills elements within the assignment are as follows:

- ◆ Processing accounting information — 50%
- ◆ Using a spreadsheet — 30%
- ◆ Analysing accounting information generated — 15%
- ◆ Presenting findings — 5%

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

This question paper will be set and marked by SQA, and conducted in centres under conditions specified for external examinations by SQA.

Controlled assessment — assignment

This assignment is:

- ◆ set by SQA
- ◆ conducted under some supervision and control

Evidence will be submitted to SQA for external marking.

All marking will be quality assured by SQA.

The assignment will be a computer-based assessment and will be provided by SQA.

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

The assignment will be carried out:

- ◆ under supervision
- ◆ within a time period specified by SQA
- ◆ in time to meet a submission date set by SQA
- ◆ independently by the learner

Further mandatory information on Course coverage

The following gives details of mandatory skills, knowledge and understanding for the Accounting (National 5) 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.

Preparing Financial Accounting Information	
Role of financial accountant	Duties, scope and responsibilities of the financial accountant
Business documents	Invoices, credit notes, statements, manual and electronic methods of payment, trade and cash discounts
Recording entries in the ledger accounts of sole trader	Relating to: fixed/current assets, income/expenses, current/long term liabilities, capital, drawings. Expenses to be accounted for to include: rent, wages/salaries, electricity, depreciation, discount allowed, repairs/maintenance of fixed assets, telephone, insurance, sundry expenses
Preparing a trial balance	
Final accounts and balance sheet of sole trader	Preparation of trading, profit and loss account Adjustments <i>at year end</i> for: <ul style="list-style-type: none"> ◆ Provision for straight line depreciation ◆ Prepayments and accruals (<i>of expenses only</i>) ◆ Closing stock ◆ Amendments to gross profit and net profit as a result of identified errors Preparation of balance sheet in line with current accounting practice

Preparing Management Accounting Information	
Role of management accountant	Duties, scope and responsibilities of the management accountant
Costing	Material — first in first out (FIFO), last in first out (LIFO) and stock control cards Labour — record and calculate wages using time/piece/flat rate methods of remuneration Overheads — classification of fixed/variable/direct/indirect costs; production of overhead analysis statement showing apportionment and allocation of overheads to cost centres and the calculation of cost units
Break-even	Significance of fixed and variable costs Use of break-even using formulae and charts to calculate/show total cost, total revenue, fixed costs, margin of safety in units and monetary value. Formulae to be provided for assessment events
Budgeting	<ul style="list-style-type: none"> ◆ Explain the theory and benefits of budgeting ◆ Prepare a cash budget for a time period of up to three months

Use of spreadsheet software throughout the Course to include:

Analysing Accounting Information	
Decision making	Break-even — effect on break-even point if change in selling price or costs; calculation of changes required in selling price/contribution to maintain/improve existing profit levels Budgeting — cash management of shortfalls and surpluses, identification of trends in cash flow
Business analysis	Calculation and interpretation of ratios profitability — return on capital employed (ROCE), gross profit percentage (GP%) and net profit percentage (NP%) liquidity — current ratio efficiency — inventory/debtors/creditors/expense ratio/fixed asset turnover Formulae to be provided for assessment Yardsticks of comparison — prior years, competitors and budgets Limitations of ratio analysis

- ◆ add, subtract, multiply, divide formulae
- ◆ 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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Superclass: to be advised

History of changes to Course Assessment Specification

Course details	Version	Description of change	Authorised by	Date

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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 Specification.