



## Accounting (National 5)

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## Draft National Course Specification

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

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## Course outline

<b>Course title:</b>	Accounting (National 5)
<b>SCQF:</b>	level 5 (24 SCQF credit points)
<b>Course code:</b>	to be advised

### Mandatory Units

<b>Preparing Financial Accounting Information (National 5)</b>	<b>6 SCQF credit points</b>
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<b>Preparing Management Accounting Information (National 5)</b>	<b>6 SCQF credit points</b>
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<b>Analysing Accounting Information (National 5)</b>	<b>6 SCQF credit points</b>
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<b>Course assessment</b>	<b>6 SCQF credit points</b>
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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. Further information on the Course assessment is provided in the Assessment section.

### Recommended entry

Entry to this Course is at the discretion of the centre. However, learners would normally be expected to have attained the skills and knowledge required by one or more of the following or by equivalent qualifications and/or experience:

- ◆ Business (National 4) Course or relevant component Units
- ◆ Mathematics

In terms of prior learning and experience, relevant experiences and outcomes may also provide an appropriate basis for doing this Course. Further information on relevant experiences and outcomes will be given in the *Course Support Notes*.

## **Progression**

This Course or its components may provide progression to:

- ◆ other SQA qualifications in Accounting or related areas
- ◆ further study, employment or training

Further details are provided in the Rationale section.

## **Equality and inclusion**

This Course Specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence. For further information please refer to the *Course Support Notes* and the *Course Assessment Specification*.

## **Rationale**

All new and revised National Courses reflect the Curriculum for Excellence values, purposes and principles. They offer flexibility, provide more time for learning, more focus on skills and applying learning, and scope for personalisation and choice.

In this Course, and its component Units, there will be an emphasis on skills development and the application of those skills. Assessment approaches will be proportionate and fit for purpose and they will promote best practice, enabling learners to achieve the highest standards they can.

This Course provides learners with opportunities to continue to acquire and develop the attributes and capabilities of the four capacities as well as skills for learning, skills for life and skills for work.

All Courses provide opportunities for learners to develop breadth, challenge and application, but the focus and balance of the assessment will be appropriate for the subject area.

## **Relationship between the Course and Curriculum for Excellence values, purposes and principles**

The Course consolidates and further develops knowledge and understanding gained through studying relevant experiences and outcomes from the social studies and technologies curriculum areas.

The Course introduces learners to the dynamic world of business by developing skills in communicating essential financial information, in a variety of presentation formats, to the various stakeholders of an organisation.

The development of skills explicit to the Course will enable learners to accurately prepare, interpret and analyse financial information.

This will support learners in becoming more self-confident in their abilities, as well as giving them a greater awareness of how understanding the financial information of businesses can help them to make more informed decisions regarding their own financial futures.

By encouraging working with others, the Course will help learners to participate responsibly in our ever-changing global business environment.

The Course covers a broad spectrum of learning that allows for further progression and depth of study at a later date. It provides opportunities that allow learning to develop in a challenging and enjoyable way. It relates the study of accounting to real-life scenarios and is therefore of great relevance.

## **Purpose and aims of the Course**

The accounting function is the lifeblood of organisations. Without effective accounting procedures and accountants to provide timely and relevant information to management, organisations may perform less successfully than they otherwise would.

This Course will build on the knowledge, understanding, information-handling skills and practical abilities gained in Business (National 4) or can act as an introduction to the world of finance.

The purpose of the Course is to enable learners to understand and make use of financial information to prepare accounting statements and to analyse, interpret, compare and report on an organisation's financial performance. A main feature of this Course is the development of numeracy and thinking skills.

The Course combines practical and theoretical aspects of learning related to accounting, and will allow learners the opportunity to use software packages through the use of computer- and paper-based assignments.

Accounting relates to many aspects of everyday life and therefore gives learners experiences which are topical and which develop skills for learning, life and work. The Course encourages learners to think logically, and to apply accounting principles in their everyday lives, thereby supporting their own personal financial security.

The Course aims to enable learners to:

- ◆ develop awareness of the important function and contribution accounting makes to industry and society, including personal and social contexts
- ◆ develop accuracy in the preparation, presentation, interpretation and analysis of accounting information, and apply a systematic approach to problem solving regarding financial issues
- ◆ develop and apply relevant accounting techniques to equip them for entry into the world of business
- ◆ develop awareness of a range of sources of finance available to organisations and when to use the most appropriate ones
- ◆ apply information technology in accounting-related tasks

### **Information about typical learners who might do the Course**

The Course may be of greatest appeal to those learners who enjoy, or wish to take advantage of, numeracy-based learning opportunities. It will suit learners who feel their skills set is matched to courses which require attention to detail and who like to apply their logical and analytical thinking.

The Course develops the necessary skills of numeracy and supports literacy and health and wellbeing. It also develops essential skills that support personal financial security. It takes into account the needs of all learners by providing sufficient flexibility to enable them to achieve in different ways and at a different pace.

By developing many transferable skills, the Course prepares learners for everyday life, the world of work, or further study of accounting and other business-related disciplines. It deepens understanding of accountancy and highlights a range of accountancy-based career opportunities that are available within all business sectors.

By studying this Course, learners will develop skills which include: describing, recording, presenting, interpreting and analysing financial information; comparing

*successful learner, confident individual, responsible citizen, effective contributor*

and contrasting accounting information to draw valid conclusions; developing critical thinking and problem solving skills in devising solutions to financial issues;

Learners will also develop skills including: team working skills through involvement in enterprising activities; ICT skills as a tool for the preparation and presentation of accounting information; and accuracy in using financial information, which develops numeracy.

Successful completion of this Course opens up a range of vertical and lateral progression routes for learners. These include other National Qualifications, Skills for Work Courses, National Progression Awards and National Certificates. The Course may also lead to employment and/or training in an accounting-related industry.

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## **Course structure and conditions of award**

### **Course structure**

The Course is practical, theoretical and experiential in its nature. Skills and knowledge are developed through a range of real-life contexts within the broad discipline of accounting.

The Course consists of three mandatory Units. Within each Unit there is a degree of flexibility in how study is undertaken. By its nature, the Course develops a wide range of skills for learning, life and work by providing learning opportunities in real-life contexts.

These skills include: essential employability skills and attitudes, including flexibility and adaptability; independence, reliability and working with others; creativity and enterprising attitudes; and effective use of ICT in an accounting context.

Units are statements of standards for assessment and not programmes of learning and teaching. They can be delivered in a variety of ways.

However, there is scope in the design of the Units to allow the Course to be taught in an integrated, experiential way. It is beneficial if the use of ICT permeates all Units.

#### **Preparing Financial Accounting Information (National 5)**

The purpose of this Unit is to develop skills, knowledge and understanding relating to the preparation of financial accounting information, and the application of accounting regulations, associated with small to medium-sized business structures. The information produced will be used to establish the historical performance and current financial position of the organisation.

#### **Preparing Management Accounting Information (National 5)**

The purpose of this Unit is to develop skills, knowledge and understanding relating to the provision of internal accounting information, using a range of basic accounting techniques including budgeting and break-even. The information prepared will be used by management to make decisions regarding future planning and control of the business.

#### **Analysing Accounting Information (National 5)**

The purpose of this Unit is to develop skills, knowledge and understanding relating to the interpretation and analysis of a range of accounting information including ratio analysis. The information will be used to assess the organisation's current financial position and to assist with future decision making.

### **Conditions of award**

To gain the award of the Course, the learner must pass all the Units as well as the Course assessment. The required Units are shown in the Course outline section. Course assessment will provide the basis for grading attainment in the Course award.

## Skills and knowledge

Full skills and knowledge for the Course will be given in the *Course Assessment Specification*. A broad overview of the mandatory subject skills, knowledge and understanding that will be covered in the Course includes:

- ◆ using accounting techniques, in familiar contexts, to facilitate decision making
- ◆ selecting straightforward accounting information to determine business profits and costs
- ◆ using ICT to produce and communicate straightforward accounting information in a range of contexts
- ◆ evaluating business success on the basis of accounting information, in contexts which have some complex features
- ◆ preparing and presenting a range of straightforward accounting statements
- ◆ interpreting and analysing a range of accounting information, in contexts which have some complex features
- ◆ knowledge and understanding of fundamental accounting concepts and theories

## Assessment

Information about assessment for the Course will be included in the *Course Assessment Specification*, which will provide full details including advice on how a learner's overall attainment for the Course will be determined.

### Unit assessment

All Units are internally assessed against the requirements shown in the Unit Specifications.

They can be assessed on a Unit-by-Unit basis or by combined assessment.

They will be assessed pass/fail within centres. SQA will provide rigorous external quality assurance, including external verification, to ensure assessment judgments are consistent and meet national standards.

The assessment of the Units in this Course will be as follows:

#### **Preparing Financial Accounting Information (National 5)**

In this Unit, learners will be required to provide evidence of their:

- ◆ ability to record straightforward financial accounting transactions and prepare final financial accounts
- ◆ understanding of key financial accounting terms relating to the preparation of final accounts, and knowledge of their application in straightforward familiar contexts

#### **Preparing Management Accounting Information (National 5)**

In this Unit, learners will be required to provide evidence of their:

- ◆ ability to prepare straightforward cash budgets and a range of straightforward cost statements
- ◆ understanding of key management accounting terms, and knowledge of their application in straightforward familiar contexts

#### **Analysing Accounting Information (National 5)**

In this Unit, learners will be required to provide evidence of their:

- ◆ ability to interpret, analyse and evaluate a range of straightforward accounting information to assess the current financial position of an organisation
- ◆ understanding of a range of straightforward analytical concepts used to assist financial decision making, and knowledge of their application in familiar contexts

## **Course assessment**

Courses from National 4 to Advanced Higher include assessment of [added value](#)<sup>1</sup>. At National 5, Higher and Advanced Higher, the added value will be assessed in the Course assessment. The added value for the Course must 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 and application.

In this Course, added value will focus on breadth, challenge and application.

This will be assessed through a combination of an accounting [question paper](#)<sup>2</sup> and a practical accounting-related [assignment](#)<sup>3</sup>.

The question paper will require demonstration of a depth of knowledge, understanding and skills accumulated from across the Course.

The assignment will require learners to combine the accounting knowledge and/or skills from across the Course in a practical context.

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<sup>1</sup> Definitions can be found here: [www.sqa.org.uk/sqa/45528.html](http://www.sqa.org.uk/sqa/45528.html)

<sup>2</sup> See link above for definition.

<sup>3</sup> See link above for definition.

## Development of skills for learning, skills for life and skills for work

*(Note: The information given below reflects the initial thinking on significant opportunities for development of skills for learning, skills for life and skills for work. These may be subject to change as the development process progresses.)*

It is expected that learners will also develop broad, generic skills through this Course. The skills that are likely to be appropriate for this Course are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Course where there are appropriate opportunities.

### **1 Literacy**

- 1.1 Reading
- 1.2 Writing

### **2 Numeracy**

- 2.1 Number process
- 2.2 Money, time and measurement
- 2.3 Information handling

### **4 Employability, enterprise and citizenship**

- 4.1 Employability
- 4.2 Information and communications technology (ICT)

### **5 Thinking skills**

- 5.1 Remembering
- 5.2 Understanding
- 5.3 Applying
- 5.4 Analysing and evaluating

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills will be appropriate to the level of the Course. Further information on building in skills for learning, skills for life and skills for work for the Course is given in the *Course Support Notes*.

## Administrative information

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**Superclass:** to be advised

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### History of changes to National Course 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](http://www.sqa.org.uk)) to ensure you are using the most up-to-date version of the Course Specification.