

Draft National Unit Specification



Unit title: Financial Accounting (Advanced Higher)

SCQF: level 7 (12 SCQF credit points)

Unit code: to be advised

Unit outline

The general aim of this Unit is to develop and enhance skills, knowledge and understanding relating to the preparation of complex financial accounting information for public limited companies. Learners will carry out activities that allow them to investigate, analyse and report on the organisation's current financial position and performance. Learners will gain an in-depth understanding of the regulatory framework governing published financial statements.

Learners who complete this Unit will be able to:

- 1 Use knowledge and understanding of financial accounting information to explain the external reporting process
- 2 Prepare and analyse financial accounting information suitable for external publication

This Unit is a mandatory Unit of the Advanced Higher Accounting Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in the *National Assessment Resource*.

The *Course Assessment Specification* for the Advanced Higher Accounting Course gives further mandatory information on Course coverage for learners taking this Unit as part of the Advanced Higher Accounting Course.

Recommended entry

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

- ◆ Higher Accounting Course or relevant component Units

Equality and inclusion

This Unit 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 *Unit Support Notes*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Use knowledge and understanding of financial accounting information to explain the external reporting process by:**
 - 1.1 Explaining the regulatory framework governing external financial reporting
 - 1.2 Describing the purpose of a public limited company's annual report
 - 1.3 Describing the content of three key areas within the annual report from a given range

Outcome 2

The learner will:

- 2 Prepare and analyse financial accounting information suitable for external publication by:**
 - 2.1 Categorising relevant information from given internal records
 - 2.2 Producing extracts of period-end financial statements for a limited company for publication
 - 2.3 Consolidating the financial statements of multiple-company entities

Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence for this Unit may be presented in a written response, as an ICT printout or by electronic means, and must use relevant accounting layouts and concepts.

Assessors should also use their professional judgement when giving learners credit for an appropriate degree of accuracy. This may mean giving credit for solutions which are numerically incorrect, but which show correct application of accounting concepts and methods.

In Assessment Standard 1.1, the regulatory framework would cover the Companies Act, the role of the Accounting Standards Board, and processes for the creation of a Financial Reporting Standard.

In Assessment Standard 1.3, typical content would cover chairman's statement, directors' report, corporate governance, corporate and social responsibility (CSR), audit report, financial statements, accounting policies, notes to the accounts.

In Assessment Standard 2.1, relevant information will be categorised into cost of sales, selling and distribution expenses, and administration expenses.

In Assessment Standard 2.2, 'period-end financial statements' refers to two extracts from the following: income statement, balance sheet, cash flow statement.

In Assessment Standard 2.3, the financial statements should be either a consolidated income statement or consolidated balance sheet.

Exemplification of assessment is provided in the *National Assessment Resource*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

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

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit 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 Unit where there are appropriate opportunities.

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

- 5.3 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 should be at the same SCQF level as the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

Administrative information



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Superclass: to be advised

History of changes

Version	Description of change	Authorised by	Date

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Note: readers are advised to check SQA's website: www.sqa.org.uk to ensure they are using the most up-to-date version of the Unit Specification.