



External Assessment Report 2010

Subject	Accounting
Level	Intermediate 1

The statistics used in this report are pre-appeal.

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published question papers and marking instructions for the Examination.

Comments on candidate performance

General comments

This year the management accounting questions were handled much better than the financial accounting questions.

In Section A of the paper — the financial section — Question 1 (the compulsory question) was based on the final accounts of a plc, which candidates coped with reasonably well. In the choice of practical questions in this section, a majority of candidates opted for Question 3 — ratios and petty cash statement. The petty cash statement was done well. The few candidates who chose Question 2 had a major problem with the book-keeping question. Theory in both questions, however, was not handled well.

In Section B of the paper — the management section — Question 4 (the compulsory question) was based on stock valuation and process costing. These topics have come up frequently but candidates still struggled with the process costing question. There was a fairly even spread of candidates choosing Questions 5 or 6, which were well handled.

Areas in which candidates performed well

Question 1

- ◆ Candidates handled accruals and prepayments well.
- ◆ Most balance sheet items were included, apart from those which should have been used twice from part (a).

Question 2

- ◆ Very few candidates attempted this question.
- ◆ The theory question, on the advantages of forming a partnership, was well done.

Question 3

- ◆ Calculation of net profit was generally done well.
- ◆ The petty cash statement was well executed.

Question 4

- ◆ The stock record card was very well completed.

Question 5

This question was completed well, in the main.

- ◆ The job cost statement was very well done.
- ◆ The theory for this question was also well done.

Question 6

This question was handled best in the management section, with candidates scoring high marks.

- ◆ The service costing question was generally very well handled.
- ◆ The cash budget question was also very well done.

Areas which candidates found demanding

Question 1

- ◆ Layout of trading and profit and loss accounts and the balance sheet were not well done by many candidates.
- ◆ 'Duties of a financial accountant' was poorly answered.
- ◆ Using relevant figures from (a) to complete (b) was also an area candidates found demanding.

Question 2

- ◆ Very few candidates attempted this question, and the standard of completed questions was very poor.
- ◆ Candidates also could not tell the difference between an invoice/credit note and a copy invoice/credit note – therefore mixed up purchases and sales.
- ◆ Discount was very rarely calculated.

Question 3

- ◆ Most candidates did not know the formulae for the ratios/calculations asked for, particularly cost of goods sold and rate of stock turnover.
- ◆ While petty cash was generally well done, some candidates did not total the analysis columns or restore the imprest.

Question 4

- ◆ While this question was well done, there were a variety of layouts used for process costing, leading to confused answers.

Question 5

- ◆ Many candidates did not know the formulae for contribution or breakeven point.

Question 6

- ◆ While the cash budget was very well done, many candidates missed the time delay for purchases.
- ◆ Theory was not particularly well done.

Advice to centres for preparation of future candidates

Teachers should check the special instructions for specific instructions regarding errors that are frequently made by candidates, eg opening balances, extraneous items, and labels.

Candidates should be encouraged to take time to choose the most appropriate questions.

Candidates should be instructed to ensure that they only answer four questions, that is Questions 1 and 2 or 3, Questions 4 and 5 or 6.

Time should be spent on theory, as candidates are losing what should be straightforward marks as they appear unprepared for these questions.

Statistical information: update on Courses

Number of resulted entries in 2009	76
Number of resulted entries in 2010	96

Statistical information: performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum mark — 120				
A	33.3%	33.3%	32	84
B	12.5%	45.8%	12	72
C	8.3%	54.2%	8	60
D	6.3%	60.4%	6	54
No award	39.6%	100.0%	38	—

General commentary on grade boundaries

While SQA aims to set examinations and create marking instructions which will allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and a well prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary), it is very challenging to get the standard on target every year, in every subject at every level.

Each year, therefore, SQA holds a grade boundary meeting for each subject at each level where it brings together all the information available (statistical and judgemental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Head of Service and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.

The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.

The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.

Where standards are comparable to previous years, similar grade boundaries are maintained.

An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in say Higher Chemistry this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related as they do not contain identical questions.

SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as Arrangements evolve and change.