

*Research and Information Services*

**MONITORING STANDARDS REPORT**



# **HNC Accounting (G7D1)**



# Findings

## HN Units scrutinised

Preparing Final Accounts	DE5C 34
Managing Accounting using Information Tech	DE9G 34
Cost Accounting	DE5F 34
Recording Financial Information	DE5D 34

## 1 Standards/source documents

This has been the first opportunity to monitor standards since the revised framework was introduced. A large number of centres, representing a spread of colleges in terms of size and geography, were sampled to provide a good comparison.

Since the revised units have been implemented, new professional standards have come into force and at this level this has had little effect on the assessment instruments. However, it has some implications at HND level.

The main changes have arisen as a result of changes in professional standards. Centres should ensure that assessment instruments are updated to take account of any changes in professional standards, in particular layout of financial statements for pro-forma documentation provided to candidates.

Topics covered in this framework are broadly similar to those from previous frameworks, though the topics may be grouped differently into units.

When the new framework was devised, much emphasis was placed on providing candidates with an appropriate skill-base to facilitate progression to the workplace, higher education or professional studies. From the materials reviewed it appears that candidates are well prepared to follow any of those routes by centres offering this framework.

Candidates are asked to undertake a wide range of tasks across the mandatory units, including more extensive use of IT in an accounting context.

On the other hand, it appears to be increasingly irrelevant that Cost Coding is still included in the Cost Accounting unit. Removing this would ease the burden of assessment for centres and candidates and remove a topic which is less relevant with the advent of computerised accounting.

## 2 Assessment Instruments

In most cases, centres have used the assessment exemplars issued by SQA for each of the mandatory units of the new framework. However, the panel has noted that in most cases these are the only assessment instruments available and that centres have to use their own in-house devised assessment

instruments to assess candidates who have not achieved at the first attempt. There is very little evidence that any alternative assessment instruments have been subject to basic internal verification let alone prior verification.

The assessment instruments that have been used are sufficiently demanding, taking into account the tasks required and the time allowed, for candidates of this level. Areas for concern are mainly where centres have used their own assessment instruments.

It was not possible to comment on submissions for each centre as some had not submitted assessment instruments, marking schemes or other documents that had been requested. However, in spite of this, the panel were able to form an opinion about the maintenance of standards across centres.

Some centres provided annotated versions of the marking schemes from the exemplars allowing for standardised marking across assessors.

There is little opportunity to integrate assessments across outcomes, but where it is noted in the unit specification, this has taken place.

Many centres have developed assessment booklets for outcomes but, on the whole, these do not give details of either the assessment conditions or the criteria to pass. Whilst it has been assumed that this information is provided for candidates in a verbal form, it would be good practice to provide this information in writing.

### **3 Evidence of candidate performance**

Most centres submitted scripts for candidates who had passed the unit. The submissions, on the whole, allowed the panel to judge the performance of candidates.

The evidence presented by centres was fairly standard where the SQA exemplar had been used as the assessment instrument. Alternative instruments used by some centres have also provided largely appropriate evidence.

On the whole, although centres had submitted evidence of internal verification of candidate material, there was surprisingly little evidence that any internal verification had taken place on the assessment instruments devised by the centres. The paperwork provided by many centres, although no doubt in line with their own centre policy, was not particularly helpful.

It is the view of the panel that most of the decisions made by centres are accurate and appropriate.

Some thought should be given to the correct procedure for marking and showing an audit trail. The marking process should not be too onerous, but at the same time it should show evidence where marks are lost or gained.

There was a range of different quality scripts. There was evidence of good feedback to candidates in some centres, but less in others. There was evidence of re-assessment, and the re-assessment instruments were of the requisite standard. Overall the marking was fair and results correctly reflected the candidates' performance, although there were some examples of consequential marking and over-generous marking.

The presentation of candidate material varied from excellent to unsatisfactory, and in most cases this level of presentation was reflected in the final grade. No marks are currently awarded for presentation, and this might be considered in the future.

The quality of feedback to candidates varied considerably, with examples of very good and very poor feedback in the sample. The poor practice mainly related to the lack of evidence of any marks being given, with either ticks down the side of the page with a global question mark being given or, in some cases, only a global mark given with no indication of where the marks came from. This does not imply that the assessment was not marked correctly, but does mean there was lack of any audit trail of the marking process and the level of detail of marking should be considered. This can be onerous if single marks have to be given but, on the other hand, one global mark does not give an audit trail of what is a correct or wrong answer, especially if the full marks are not given. Where the answer is correct it would appear pointless to then show each individual mark when a global mark would suffice. In some cases the marking was in pencil — it is recommended that a standard red pen be used. In more than one centre, consequential marking was not observed and the candidates were penalised unnecessarily. In others, marking was not tight, and wrong answers were marked as being correct for no apparent reason. While this did not appear to affect the final decision for those scripts which were reviewed, it does give cause for concern.

#### **4 Comparing standards over time**

The panel reviewed the units which form part of new frameworks that were introduced in session 2004–05, and fully implemented by the end of session 2005–06.

Although the subject matter is largely the same, there has been movement of topics between units and there is no benchmark against which to measure the maintenance of standards over a period of time.

#### **5 Conclusions**

The general conclusion of the panel is that the new framework appears to be upholding standards at SCQF level 7, which will ensure that candidates are prepared to an acceptable level for progression to HND, higher education or professional studies.

The provision of assessment instrument exemplars by SQA has meant that there is much less variation across centres, where the exemplars have been utilised. There is more about assessment instrument exemplars in section 6, under the heading “Recommendations for SQA”. Some centres have developed additional assessment instruments which are similar to the exemplar materials. The main area for concern is the lack of evidence of either internal verification or prior verification of assessment instruments. This is seen as the biggest risk to a drop in standards.

Where alternative assessment instruments have been used, generally they are appropriate, but in some centres there are subtle differences between the centre-devised and SQA-devised instruments which could, over time, lead to a reduction in standards.

Whilst there are some very good assessment instruments, some provide candidates with pro-forma documentation or provide more information in the questions than would be appropriate. This gives additional support to candidates, which is over and above that exemplified in the assessment exemplars.

In the Recommendations section of the report, we have made a comment regarding assessment conditions and criteria for pass. Whilst we are aware that centres are providing this information verbally, it is not recorded on the assessment instruments that are provided to candidates. This information would ensure that candidates are in no doubt as to the conditions that apply to each assessment event and also the criteria that they must meet in order to achieve each outcome.

Care should be taken to ensure that conditions of assessment adhere to the requirements of the unit specification. In two units there are differences between the conditions noted in the exemplars and the unit specifications. Centres are reminded that the overriding benchmark to achieve is the unit specification and not the exemplar.

## **6 Recommendations for centres**

- ◆ Some thought should be given to the correct procedure for marking and showing an audit trail. The marking process should not be too onerous but, at the same time, it should show evidence as to where marks are lost or gained. In addition, consequential marking should be observed.
- ◆ A pen (red is preferable) should be used for marking rather than pencil. In addition, candidates should be discouraged from completing assessment documents in pencil.
- ◆ Centres should make use of the prior-verification service offered by SQA to ensure standards in centre-devised assessments are consistent.
- ◆ It would be useful for candidates to be given sufficient written information to allow them to understand the conditions of an assessment event and what is required of them in order to successfully complete an outcome. Many centres have devised an assessment booklet, and this

would be an ideal opportunity to include the conditions of assessment and marks required to achieve a pass.

- ◆ Care should be taken to ensure that conditions of assessment adhere to the requirements of the Unit Specification, as the over-riding benchmark to achieve is the Unit Spec — not the Exemplar.
- ◆ Centres should ensure that, if they choose to use exemplars issued by SQA, they use the most up-to-date version.

## **7 Recommendations for SQA**

- ◆ The current framework is appropriate to maintaining standards, but some minor adjustments could be made to make it easier to manage.

Some of the assessment exemplars, in their present form, are past their sell-by-date. It is a possibility that those issued in the first batch may well by now be in the public domain, and for candidates determined to look, may be easily found.

- ◆ One suggestion may be to issue electronic versions of assessment instruments, prepared on a spreadsheet. This would make the preparation of alternatives much easier. The assessments in Management Accounting using IT are a very good example — input pages can be prepared and then individual elements of each assessment task can be amended to make a different assessment instrument more easily developed, with emphasis being easily shifted.

# Appendix: Unit report

## 1 The Units

Unit	Main Purpose	Candidate Profile	Uptake
<b>DE5C: Preparing Final Accounts</b>	This Unit is designed to enable candidates to prepare final accounts for a range of business organisations - sole traders, partnerships and companies. These organisations can be either retail or manufacturing concerns. For a limited company candidates will be required to prepare final accounts and cash flow statements as well as analysing these statements using appropriate accounting ratios.	It is primarily intended for candidates who expect to take up a career in accounting and/or financial administration. It would also be relevant to those with appropriate work experience who wish either to formalise their qualifications or progress in their accounting career.	All centres who are currently offering this framework will be offering these units. In the region of 25 centres are offering this framework currently, mostly in Scotland but also in Belfast and Oman. In many centres there are more than one group of candidates – on average centres appear to have around 20 candidates.
<b>DE5D: Recording Financial Information</b>	This Unit is designed to enable candidates to develop their manual book-keeping skills.	It is intended for candidates who expect to take up a career in accounting and/or financial administration. It is also relevant to those with appropriate work experience and who wish to formalise their manual book-keeping skills.	
<b>DE5F: Cost Accounting</b>	The Unit introduces candidates to costing techniques that are likely to be utilised within cost accounting. The objective of the unit is to enable candidates to maintain a working accounting system for classifying and recording cost accounting information for purposes such as stock valuations and profit measurement.	It is primarily intended for candidates who expect to take up a career in management or cost accounting. It would also be relevant to those with appropriate work experience who wish either to formalise their qualifications or progress in their accounting career.	

<p><b>DE9G: Managing Accounting using Information Technology</b></p>	<p>This Unit is designed to enable candidates to provide employers with timeous, meaningful and well-presented financial information. It uses Information Technology as an assessment tool and enables candidates to prepare management information used for decision making in an organisation.</p>	<p>The unit is primarily intended for candidates who expect to take up a career in cost or management accounting but would also be relevant to those who wish to gain experience in budget preparation or who wish to formalise their qualifications or progress in their accounting career.</p>	
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## 2 Assessment instruments

<b>DE5C: Preparing Final Accounts</b>	
<b>Fitness for Purpose/ Integration</b>	<p>Overall the unit specification for this unit is appropriate to candidates working at SCQF level 7. Many centres are using assessment instruments devised 'in house' which appear not to have been subject to either Internal Verification or Prior Verification. In most cases the instruments are appropriate and in some they appear strikingly similar to the exemplar but with the name changed.</p> <p>All centres had assessed outcomes 3 and 4 together.</p>
<b>Quality of Presentation</b>	<p>Many of the scripts presented were completed in pencil. Whilst it is understandable, due to the nature of the tasks, that they be completed in pencil to allow for easy amendments, it is still advisable that they be presented in pen. Some marking is still being completed in pencil which is not to be advised.</p>
<b>Level of demand</b>	<p>It is the opinion of the panel that the unit is set at the correct standard – SCQF level 7. This is borne out by the large number of centres who have submitted good passes, some of whom have noted that no candidates were bare passes or not achieved. The centres are very clearly preparing candidates to the acceptable level.</p>
<b>Conditions of Assessment</b>	<p>Centres are adhering to the assessment conditions laid down in the unit specification. However, the conditions of assessment are not made clear to candidates, either on the assessment instruments or on assessment booklets devised by centres.</p> <p>There are discrepancies regarding assessment conditions within the unit specification, which require to be addressed to ensure any confusion is avoided.</p>
<b>Guidance on Criteria for pass and validity to PCs and range/Summary</b>	<p>Where the exemplar has been used, the marking scheme has been provided but it is not always clear how marks are to be allocated. However in the exemplar, notes have been provided for markers which identify specific areas to look for in a candidate script and this has resulted in much more consistent marking across centres. Some centres have developed the marking scheme provided in the exemplar still further in order to provide candidates with more detailed feedback and to aid consistent marking across assessors.</p>

<b>DE5D: Recording Financial Information</b>	
<b>Fitness for Purpose/ Integration</b>	<p>In all cases the material was fit for purpose whether the college used the SQA exemplar or used their own assessment material. In one college an older and redundant version of the exemplar, which contained a number of errors, was used. Overall the unit specification for this unit is appropriate to candidates working at SCQF level 7.</p> <p>There was evidence of integration within each outcome but not across outcomes or units.</p>
<b>Quality of Presentation</b>	<p>The quality of presentation of candidate's materials varied from excellent to unsatisfactory and in most cases this level of presentation was reflected in the final result. No marks are currently allocated for presentation and this might be considered in the future.</p> <p>Scripts were completed in pencil as was some marking and this is not advisable</p>
<b>Level of demand</b>	<p>The level of demand required by the unit is appropriate to SCQF level 7. However, care should be taken by centres when devising new assessment instruments to ensure the level of demand is consistent with the unit specification and comparable to the standards exemplified in the assessment exemplar provided by SQA.</p>
<b>Conditions of Assessment</b>	<p>Centres adhered to the conditions of assessment laid down in the unit specification.</p> <p>It would be beneficial to candidates that Centres ensure they provide clear information on conditions of assessment. This is not always noted on either the assessment instrument given to candidates, or on assessment booklets devised by centres.</p>
<b>Guidance on Criteria for pass and validity to PCs and range/Summary</b>	<p>In all cases the assessment marks were shown and in most instances the pass mark was also shown. The unit specification does inform the student that the minimum mark for a pass is 70%. There does remain some confusion as to whether the aggregate mark should be the basis for awarding a pass or whether the candidate has to pass each question separately. Where centres have prepared their own assessment instruments they have not always detailed either the conditions or the criteria to pass. This should be addressed in order to ensure consistent approaches by all assessors.</p>

<b>DE5F: Cost Accounting</b>	
<b>Fitness for Purpose/ Integration</b>	<p>The general opinion of the panel is that whilst this unit covers topics which will allow candidates to gain an understanding of this subject, candidates are subject to too much assessment. The panel has found that outcome 3 is the most inconsistently assessed. Whilst this topic is essential to the overall qualification, perhaps a review of the assessment method could be considered.</p> <p>The topics covered in this unit are not integrated within the assessment exemplar. However there are opportunities to integrate some of the topics.</p>
<b>Quality of Presentation</b>	<p>Many of the scripts presented were completed in pencil. Whilst it is understandable due to the nature of the tasks that they be completed in pencil to allow for easy amendments, it is still advisable that they be presented in pen. Some assessors had also marked in pencil. This should be avoided to ensure marks cannot be altered at a later date.</p>
<b>Level of demand</b>	<p>It is the opinion of the panel that the unit is set at the correct standard – SCQF level 7. This is borne out by the large number of centres who have submitted good passes, some of whom have noted that no candidates were bare passes or not achieved. The centres are very clearly preparing candidates to the acceptable level.</p>
<b>Conditions of Assessment</b>	<p>The conditions of assessment for outcomes 2 and 3 in the exemplar issued by SQA are not always in line with the unit specification. One or two centres have operated the good practice of referring to the unit spec to ascertain the assessment conditions. There is little evidence that candidates are advised of the conditions of assessment, either on the assessment instruments or assessment booklets devised by centres. This would be useful information for candidates and centres are advised to provide this in writing.</p>
<b>Guidance on Criteria for pass and validity to PCs and range/Summary</b>	<p>Where centres feel that candidates are weak in one area some have decided to orally assess candidates but have not recorded the full extent of candidate response. Whilst this is good practice, it would be better if a fuller record was made of the questions and the responses.</p> <p>Where centres have prepared their own assessment instruments they have not always detailed either the conditions or the criteria to pass. This should be addressed in order to ensure consistent approaches by all assessors.</p>

<b>DE9G: Managing Accounting using Information Technology</b>	
<b>Fitness for Purpose/ Integration</b>	<p>The unit uses IT in order to prepare candidates for the workplace and also to help them to contextualise the use of IT in the accounting workplace. As such it is assessing two different but linked areas – IT and Management accounting.</p> <p>Whilst the unit is currently being assessed using 4 separate tasks, opportunities do exist for integration. However, there is no evidence of centres developing assessments which take advantage of this.</p>
<b>Quality of Presentation</b>	<p>Most centres appear to have used the Excel IT package to instruct candidates. The quality of presentation of materials from candidates is fairly high. Most centres had used the exemplar where suggested layouts are provided and this has led to a significant standardisation of materials presented by candidates.</p>
<b>Level of demand</b>	<p>It is the opinion of the panel that the unit is set at the correct standard – SCQF level 7. This is borne out by the large number of centres who have submitted good passes, some of whom have noted that no candidates were bare passes or not achieved. The centres are very clearly preparing candidates to the acceptable level. This is a challenging unit for candidates with poor or limited IT skills where their learning is two fold – IT and Accounting.</p>
<b>Conditions of Assessment</b>	<p>The conditions of assessment for outcome 3 in the exemplar issued by SQA do not conform to the unit specification, which requires to be addressed. One or two centres have operated the good practice of referring to the unit spec to ascertain the assessment conditions. As with other units, some centres have developed their own assessment booklets detailing the type of assessment being taken but not the conditions or time allowed. It would be beneficial to candidates to be given this information in writing. In addition, the criteria for achieving the outcome is not always noted on the assessment instruments, or on booklets developed by the centres.</p>
<b>Guidance on Criteria for pass and validity to PCs and range/Summary</b>	<p>The criterion for achieving each outcome are clearly stated however, a number of centres are still requiring candidates to achieve over 70% of each task of the outcome, which is not necessary. The unit specification clearly states that the candidate must achieve 70% of the marks available for the outcome. In order to maintain the same standard across all centres it is important to ensure that this applies. It is the custom when assessing in the Accounting profession to employ the principal of consequential marking, where candidates are penalised only once for an error. Where candidates have correctly used their incorrect figures subsequently in the assessment task they should be awarded marks appropriately.</p>

### 3 Evidence of candidate performance

<b>Overall</b>	
<b>Examples of good assessment practice/summary</b>	<p>The Scrutiny team were happy with the good standard of work and centres are to be commended on reaching the high level that they have achieved early in the new framework.</p> <p>Candidates Performance was mixed and there was evidence of good feedback to candidates in a number of colleges. There was evidence of reassessment and the reassessment instruments were of a requisite standard. Overall the marking was fair and the results correctly reflected the candidates' performance, with the exception of problems of consequential or careless marking.</p> <p>One centre has utilised the candidate feedback sheet from the exemplar pack to provide extraordinarily detailed feedback.</p>
<b>Comparison over time</b>	This is a new framework, and the first time that it has been reviewed, so we cannot comment on the standards over time.
<b>DE5C: Preparing Final Accounts</b>	
<b>Accuracy of assessment decisions</b>	It is the view of the panel that most of the decisions made by centres are accurate and appropriate.
<b>Consistency of application of standards</b>	In many cases centres have used the exemplar which applies the standard appropriately. Where centres have used their own devised assessment instruments, this is less consistent.
<b>DE5D: Recording Financial Information</b>	
<b>Accuracy of assessment decisions</b>	It is the view of the panel that most of the decisions made by centres are accurate and appropriate.
<b>Consistency of application of standards</b>	<p>In many cases centres have used the exemplar, which applies the standard appropriately. One centre has used version 1 of the assessment exemplar rather than the most up to date version.</p> <p>Those centres using centre-devised assessment instruments are less consistent and this could be improved if centres made use of the prior verification service offered by SQA.</p>
<b>DE5F: Cost Accounting</b>	
<b>Accuracy of assessment decisions</b>	<p>It is the view of the panel that most of the decisions made by centres are accurate and appropriate.</p> <p>There are, however, some discrepancies between the view of the panel and that of the centres, mainly arising from outcome 3 decisions - in particular with some extremely careless totalling of marks leading to a pass decision rather than a 'not achieved.'</p>
<b>Consistency of application of standards</b>	In many cases centres have used the exemplar which applies the standards appropriately and consistently. There is less consistency between centres using their own assessment materials.

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<b>Accuracy of assessment decisions</b>	It is the view of the panel that most of the decisions made by centres are accurate and appropriate.
<b>Consistency of application of standards</b>	In many cases centres have used the exemplar which applies the standards appropriately and consistently.  There is less consistency across centres using centre-devised assessments.