

Research and Information Services

STANDARDS MONITORING REPORT



Comparison of Accounting Higher 2005 and 2002

Summary

In general the monitoring team agreed that the 2005 Accounting Higher was more demanding than the 2002 Accounting and Finance Higher.

- ◆ Syllabus: On the whole the content of the syllabus for both 2002 and 2005 was similar although the 2005 arrangements were more prescriptive. Two of the more demanding topics were removed from the syllabus and included in the advanced higher.
- ◆ Assessment Instruments: The question paper for 2005 was more testing than the 2002 paper because the structure had changed with the compulsory questions covering a wider range of topics. In 2002 candidates knew which topic the compulsory questions would cover in the question paper. The NAB structure has also changed resulting in a longer more demanding test after each unit in 2005 compared with eleven end of topic assessments in 2002.
- ◆ Scripts: The standard of performance for A Grade candidates in 2002 and 2005 and also for C Grade candidates remains comparable where questions were similar. The standard of written English in the theory questions was similar in both years.

Observations

- ◆ The move to the inclusion of several topics in the compulsory questions in the 2005 question paper was welcomed by the team the effect being that candidates have to study the whole syllabus rather than ‘question spot’ and only study/revise a few topics.
- ◆ The move to equal marks being awarded for Financial Accounting and Management Accounting in the 2005 question paper is fairer.
- ◆ The team also welcomed the fact that candidates now have to answer a theory question from each unit as it encourages wider study and knowledge.
- ◆

The syllabus used for the 2005 examinations was the latest available syllabus, which came into effect in 2004, the syllabus used for the 2002 examination came into effect in 2000. The 2004 version is more detailed, taking up 7 pages compared to 4 and contains a number of items which although not specified in the 2000 arrangements, were actually there. For instance both the financial and management sections of the 2004 version begin with role of the financial (or management) accountant. This does not appear in the 2000 version, which assumed that a candidate following the course would by default know the different roles/duties/advantages. Questions on this topic have been set for years.

The 2004 version is also more prescriptive, leaving less room for interpretation by the teacher and the examiners.

1.1 Comparison of Course content

Exams are based on different arrangements documents dated as below:

Financial Accounting		
2005	2002	comment
Role of the financial accountant	Not included	Not specifically mentioned but would become clear to candidates as they progressed through the course and would be examined
Correction of errors in ledger accounts	Not included	Name is ambiguous – it is not ‘correction of errors in ledger accounts’ at all—as shown by column 2 of page 6 – it is the effect of changes on profit. Again this was not mentioned in 2000 arrangements but

		was included (see question 2 from 2002). The background to this is that many candidates doing a one year H in class 5/6 will not cover double entry in detail or even at all. Suspense accounts was 'relegated' to Int 2
Features of ownership, funding, liability, management and control	Characteristics of sole traders, partnerships and public limited companies	Now includes non-profit making enterprises (should really say 'not for profit organisations!')
Manufacturing Accounts	Manufacturing Accounts	No significant change – slightly reworded, 2004 specifies apportionment between factory/warehouse/admin and calculation of cost per unit. (although not specified in 2000, this was included)
Financial Statements and Balance Sheets for all business organisations	separate sections, each dealing with 1 features of different organisations 2 final accounts for: (a) sole trader (b) partnership (c) Plcs	Essentially the same content restructured. Statements to correct profit due to errors added
Introduction of new partner	Included under the partnership section above	Essentially the same content
Final Accounts of non-profit making organisations	Not in arrangements	New content, used to be in higher pre 2000 arrangements, was in Advanced higher until 2005
Accounting Ratios	2 separate sections ◆ Interpretation of Accounting Information ◆ Using Accounting Information	Essentially the same content
Financial Accounting Regulations	Financial Accounting Regulations	Essentially the same content, but updated to included Statement of Principles
	Cash Flow Statements	Removed from arrangements – moved to AH

Summary of changes

2005 arrangements are more detailed and prescriptive

Major changes:

Cash Flow removed
Non-profit added

Management Accounting		
2005	2002	Comments
Role of the management accountant	Not specifically mentioned	Included by implication
Calculation and Classification of costs	Cost elements	Essentially the same content EFTPOS included
Preparation of cost statements and accounts	Cost systems	Addition of service costing Removal of abnormal gains from process costing
Marginal costing and decision making		Essentially the same content
Budgeting	Budgets	Theory of budgetary control and benefits of budgeting added
Information Technology and Accounting	Not in arrangements	New content
Use of Spreadsheets	Not in arrangements	But included as required for NAB
	Absorption and marginal costing profit statements	Transferred to AH

Summary of changes

2005 arrangements are more detailed and prescriptive

Major changes

Absorption and marginal costing removed
Abnormal gains removed

Service Costing added
Information Technology added

2005 includes the clear statement that the content of the lower levels underpins this award.

1.2 Has the inclusion/exclusion of topics made the syllabus as a whole more demanding?

The syllabus is slightly less demanding as some of the more difficult topics have been moved to Advanced Higher.

1.3.1 Is the depth of the more recent syllabus greater than that of the older syllabus?

The topics in each of the syllabi are covered in the same depth.

1.3.2 Is the breadth of the more recent syllabus greater than that of the older syllabuses?

The breadth of the syllabus is less in 2005 as some of the more testing topics have been moved to the advanced higher.

2 Assessment Instruments

2.1 What effect have these differences had on the level of demand of the arrangements?

The NABs are more demanding as candidates have to do 2 longer tests at the end of each unit, covering the whole of a unit, instead of end of topics assessment.

Although some of the more difficult topics have been removed from the 2005 syllabus, the exam is more demanding as it samples a wider range of topics. Candidates must now revise a wider range of topics in order to pass, as the compulsory questions could be in several areas not just one as before.

Candidates also have to answer questions on both Management and Financial Accounting theory, whereas in 2002 they could have avoided one of these topics.

The content in both years is similar. However the examination is more demanding because the structure has changed.

In 2002 the candidates knew the topics of the compulsory questions and these were – Preparation of final accounts for internal use in financial accounting and Decision Making for management accounting.

The compulsory questions in 2005 cover a range of topics – final accounts of any type of organisation (including Not For Profit) in Financial Accounting and any topic in Management Accounting. They may also cover more than one topic.

There are fewer optional questions. Although the weighting of each theory question has been reduced from 15% in 2002 to 10% in 2005, candidates had to answer a theory question from each unit in 2005. In 2002, candidates could choose to answer the theory question from either Financial or Management Accounting.

Year	Unit	Marks	Topic
2002	1 compulsory financial accounting	25 marks	Public Limited company final accounts
	1 optional question from a choice of 3	20 marks	Any other financial accounting topic
	1 compulsory management accounting	20 marks	Decision making
	1 optional management accounting from a choice of 3	20 marks	Any other management accounting question
	1 theory question 1 from 4	15 marks	Any topic choice of 1 from 4
2005	1 compulsory financial accounting	50 marks	Public Limited company, partnership, sole trader, not-for-profit or manufacturing account
	1 optional practical financial 1 from 2	40 marks	Any other financial topic
	1 financial theory from 2	10 marks	Financial accounting
	1 compulsory management accounting	50 marks	Range of management accounting topics
	1 optional management accounting 1 from 2	40 marks	Range of management accounting topics
	1 management theory from 2	10 marks	Management accounting

The candidates now have a variety of topics for the compulsory questions, which has made the examination more testing. They have to answer a theory question from both Financial and Management Accounting which is more testing. There is also equal emphasis on both Management and Financial accounting.

In 2002 there were more marks available for Financial accounting and candidates tended to score higher marks in Financial accounting questions.

2.1.2 Are there any trends or gradual changes in the structure of the Question Papers, questions, or marking instructions?

2005 paper has a different structure as shown in the table above. Candidates have to cover more topics. The compulsory question can now be on several topics and can integrate several different topics in the one question. There is now a 50/50 split between financial and management accounting.

There is no difference in the marking instructions.

2.2 Can any papers, sections, types, or tasks from the more recent Question Paper be found in almost the same form in the older Paper years?

Q1 is a compulsory question in 2005 on Accounts preparation for sole trader, partnership, not-for-profit or Public Limited Company. A similar question in 2002 was on Accounts preparation for a Limited Company.

Q3 The topic is ratio analysis and has a degree of similarity in both papers.

Q 5 2002 and Q7 2005 The topic is Decision-Making and is very similar in both years.

Q8 2002 Q6b and c 2005 - the topic is Production and Cash Budgets and is similar in both years. The question was compulsory in 2005.

Q7 2002 Q8 2005. The topic, Overhead Analysis, is similar in both years.

2.2.1 Do candidates in all years perform in the same way on these questions?

The performance of candidates was similar in the topics which were the same or similar.

Q1 2002 Final Accounts for Public Limited Company, 2005 Final Account Partnership
Comments

The candidates performance was very similar 17.8/25 marks for 2002, 32.9 /50 marks in 2005

The marks for A Grade candidates were identical in both years.

Q3 The Ratio Analysis question

Comments

This has a degree of similarity in both years.

No candidates chose the question in 2002, only 2 of the D candidates chose the question in 2005 and did it very badly 10/40.

Q5 2002 and Q7 2005 on Decision Making were similar. For Q5 in 2002 the average mark was 14.9/20 and for Q7 in 2005 27/40 was the average mark

Comments

In 2002 the candidates were aware this topic would be examined, as it was a compulsory question whereas in 2005 candidates were not sure this would be examined. Taking this into account, the results are very similar.

Q6B and C – Production and Cash Budgets

Comments

This question was compulsory in 2005 and was generally badly done.

In the selection of candidate evidence available to the team, Q8 in 2002 was similar and was done by candidates who achieved A and B Grades and high marks were achieved for the question. None of the C and D candidates in the selected scripts attempted the question. The fact that this was a compulsory question in 2005 may in part explain the lower marks achieved for it overall in 2005.

Q7 2002 and Q8 2005 - the topic was overhead analysis

Comments

The average mark for this question in 2002 was 17.9/20.

Q8 in 2005 was only attempted by 4 students who were mainly poorer candidates. The average mark for the question was 19/40. It should be added that although the questions were on the same topic they were very different questions.

In 2005 Q8 was more testing. 8C was similar and the performance between 2002 and 2005 candidates was similar. Only one A Grade candidate chose the question whereas 3 D Grade candidates selected it.

Observation

The A Grade candidates, who are presumably better prepared, tend to select different questions from the C and D level candidates.

2.3 Is the coverage of the more recent syllabus in the more recent Question paper more extensive/comparable/ less extensive than in the previous years?

- ◆ Coverage is similar and the subject matter has not changed significantly but candidates however have less choice. They need a wider knowledge of more topics in the syllabus as it is not possible to 'question spot' to the same extent.
- ◆ Q1 both years very similar
- ◆ Q8 2005 is more difficult than 2002 Q7
- ◆ Q 6 in 2005 incorporates two topics/sections of the syllabus. This appears to have caused difficulty as candidates did less well in this type of question than expected.

2.4 Are the questions and marking scheme of the more recent Question Paper more demanding/ comparable/ less demanding than in previous years?

- ◆ The questions of 2005 and 2002 are comparable in demand except for Q 6b and c, either because of the integration **or** because all candidates had to answer the question in 2005 **or both**.
- ◆ Q8 2005 and Q7 2002 - question on Overhead Analysis. The 2005 question was more testing.
- ◆ The marking schemes are similar

3 Scripts

3.1 Are the A/B graded scripts from the older year better/ comparable/ not so good as the A/B graded scripts from the more recent year?

The A/B scripts from the older years achieved higher marks. Where the questions were similar in both years, the candidates' marks were similar. The exception to this is Q6 2005, which appears to have caused problems at all levels.

The restriction in question choice made the paper more difficult in 2005.

3.2 Are the C/D graded scripts from the older year better/ comparable/ not so good as the C/D graded scripts from the more recent year?

The C/D scripts from the older year achieved higher marks.

Where the questions were similar in both years the candidates' marks were similar.

Candidates achieved similar grades where the questions were similar.

The panel was of the opinion that taking into account the more testing nature of the 2005 examination due to the restriction in question choice, the candidates would at least have obtained the same grade in 2002.

4 Conclusion

The standards in both diets are similar.

The move to several topics being possible compulsory questions is welcome as it now ensures that candidates have to study the whole syllabus rather than being able to 'question spot' and only study a few topics.

The move to equal marks being available for financial and management accounting is also fairer.

The move to the candidates having to answer one theory question from each unit is also welcome as again it ensures candidates study both units.

Overall the 2005 assessment is more demanding than 2002 because candidates are assessed on the whole syllabus so candidates cannot question spot.