

Principal Assessor Report 2004

Assessment Panel:

Business Education

Qualification area

**Subject(s) and Level(s)
Included in this report**

Accounting and Finance — Higher

Statistical information: update

Number of entries in 2003	2,430
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Number of entries in 2004	2,309
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General comments re entry numbers

Reduction of 121 continuing trend of recent years.

Statistical Information: Performance of candidates

Distribution of awards

Grade	%
A	27%
B	20.3%
C	22.5%
D	9.2%
No award	21%

Comments on any significant changes in percentages or distribution of awards

Awards at all levels broadly in line with 2003.

Grade boundaries for each subject area included in the report

Distribution of awards	%	Cum %	Number of candidates	Lowest mark
A	27	27	623	71
B	20.3	47.3	468	60
C	22.5	69.8	521	49
D	9.2	79	212	43
No award	21	100	485	

General commentary on passmarks and grade boundaries

- While SQA aims to set examinations and create mark schemes which will allow a competent candidate to score a minimum 50% of the available marks (notional passmark) and a very well-prepared, very competent candidate to score at least 70%, it is almost impossible to get the standard absolutely on target every year, in every subject and level
- Each year we therefore hold a passmark meeting for each subject at each level where we bring together all the information available (statistical and judgmental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the senior management team at SQA
- We adjust the passmark downwards if there is evidence that we have set a slightly more demanding exam than usual, allowing the pass rate to be unaffected by this circumstance
- We adjust the passmark upwards if there is evidence that we have set a slightly less demanding exam than usual, allowing the pass rate to be unaffected by this circumstance
- Where the standard appears to be very similar to previous years, we maintain similar grade boundaries
- 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 are different. This is also the case for exams set in centres. And just because SQA has altered a boundary in a particular year in say Higher Chemistry 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
- Our main aim is to be fair to candidates across all subjects and all levels and maintain standards across the years, even as arrangements evolve and change.

Comments on grade boundaries for each subject area

Grade boundaries reduced from last year to reflect more challenging examination paper which was designed to attempt to achieve 'a priori' 50/60/70 boundary grades.

Comments on candidate performance

General comments

Taking into account the difficulty of the paper, overall candidate performance was broadly in line with or slightly below last year but once again results varied widely between centres.

Areas of external assessment in which candidates performed well

Question 1 — company accounts
Question 2 — ratios (although not done by many candidates)
Question 7 — cash budget.

Areas of external assessment in which candidates had difficulty

Question 3
Question 5 — part (b)
Question 6
All theory questions.

Recommendations

Feedback to centres

Common areas of difficulty were:

- ◆ In question 3 some candidates invented a market value in the manufacturing account and significant numbers did not have any transfer from Manufacturing to Trading Account, resulting in a negative cost of sales and a gross profit higher than the value of sales. In the partnership part of the question the Appropriation Account was frequently omitted, despite some of the values then appearing in the Current Account. (This seems a common problem at other levels also.)
- ◆ Treatment of fixed costs in question 5(a) was not well done and was missed out by many. In question 5(b) significant numbers did not realise that it was necessary to rework the production order based on machine hours.
- ◆ Many candidates would appear not to understand overhead recovery. The recovery rate of 25% in question 6 was not found by many, (£4 being a common answer) and fewer still managed to distinguish between factory-wide and departmental recovery. Consequently question 6 was very badly done by almost all who attempted it.
- ◆ In question 8 the Profit/Volume ratio in many cases was either wrong or omitted. (This happens most years when this is asked for.) In some instances candidates used average cost instead of weighted average in AVCO. Those who got as far as part (c) handled process costing very well.
- ◆ Theory once again was very disappointing.
- ◆ In question 12, a number of candidates, perhaps those with an Administration background, treated the question as referring to the methods by which wages were actually paid (cash/cheque etc). Credit was given for this approach.

Once again, performance varied from centre to centre and some are to be commended for the high standard achieved by the majority if not all of their candidates. However, as was mentioned last year, many candidates seemed to be prepared to attempt only one or two topics and lost marks when these either did not appear or appeared in combination with others which they had not revised.