



Course report 2023

Advanced Higher Accounting

This report provides information on candidates' performance. Teachers, lecturers and assessors may find it useful when preparing candidates for future assessment. The report is intended to be constructive and informative, and to promote better understanding. You should read the report in conjunction with the published assessment documents and marking instructions.

The statistics in the report were compiled before any appeals were completed.

Grade boundary and statistical information

Statistical information: update on courses

Number of resulted entries in 2022: 63

Number of resulted entries in 2023: 59

Statistical information: performance of candidates

Distribution of course awards including minimum mark to achieve each grade

A	Number of candidates	28	Percentage	47.5	Cumulative percentage	47.5	Minimum mark required	136
B	Number of candidates	9	Percentage	15.3	Cumulative percentage	62.7	Minimum mark required	113
C	Number of candidates	10	Percentage	16.9	Cumulative percentage	79.7	Minimum mark required	90
D	Number of candidates	7	Percentage	11.9	Cumulative percentage	91.5	Minimum mark required	67
No award	Number of candidates	5	Percentage	8.5	Cumulative percentage	100	Minimum mark required	N/A

Please note that rounding has not been applied to these statistics.

You can read the general commentary on grade boundaries in the appendix.

In this report:

- ◆ 'most' means greater than 70%
- ◆ 'many' means 50% to 69%
- ◆ 'some' means 25% to 49%
- ◆ 'a few' means less than 25%

You can find more statistical reports on the [statistics and information](#) page of SQA's website.

Section 1: comments on the assessment

Question paper

Overall, the question paper performed as intended. However, question 1 (Statement of Cash Flows) was not attempted by a number of candidates and, as a result, it was agreed that an adjustment should be made to the A and C grade boundaries.

Project

The project performed as expected.

Candidates made a good attempt at both aspects covered within the project assessment task, although candidates tended to gain slightly more marks for the section focused on the usefulness of company annual reports.

The writing was, in general, of a good standard and candidates worked to the prescribed word count. Almost all candidates adhered to the candidate guidance that had been updated at the start of session 2022–23.

Section 2: comments on candidate performance

Areas that candidates performed well in

Question paper

Candidates performed well in question 2 PART A (variance analysis), and question 2 PART B (flexible budgets). In particular, candidates made good use of the variance formulae sheet provided within the question paper, and most were able to discern whether the variances calculated were adverse or favourable.

The flexible budget responses showed, on the whole, a very clear understanding and implementation of the required accounting techniques.

Most candidates performed well in question 3 (Consolidated Statement of Financial Position) and in question 4 (marginal and absorption costing profit statements). In particular, the creation of accurate profit statements using marginal costing methodologies was well done.

Project

Annual reports: application

Most candidates were able to successfully evaluate the usefulness of the annual report from the perspective of two stakeholders, citing evidence from the relevant sections of the annual report of their chosen company.

International Accounting Standards: theory

Most candidates were able to complete this section of the project to a good standard, following the candidate instructions.

Conclusion

Most candidates were able to successfully draw conclusions which referenced the quotes in the assessment task.

Areas that candidates found demanding

Question paper

Candidates, in general, did not perform as well as anticipated in question 1 (Statement of Cash Flows). Some candidates did not attempt to respond to any element of this question. This was unexpected, given similar questions have been asked in previous papers, and this topic was not exempted from assessment in the 2023 diet. The lack of responses from some candidates made it difficult to determine specific areas of challenge. For those candidates who did attempt the question, it was clear that the layout, procedures and processes required to accurately calculate and record key financial information within this statement was not as secure as it could be.

Candidates provided a mixed standard of responses to question 4 (marginal and absorption costing). Responses suggested a lack of clarity in understanding how to properly calculate and apply inventory under an absorption costing system.

Project

Annual reports: application

Candidates who did not perform as well in this section often submitted projects that were lacking in substantial analysis. Some candidates relied too heavily on assessing the aesthetics of the report. The needs, concerns and motivations of the stakeholders in question were not thoroughly addressed, with candidates making generalised points that were not signposted or referenced to specific information in the annual report.

International Accounting Standards: application

Candidates who did not achieve high marks in this section did not engage in a detailed analysis of how their chosen company properly adopted the guidance in the relevant IAS. Some candidates opted to research standards that were not listed in the candidate guidance. This, in most cases, made the analysis and interpretation of their implementation much more difficult, as these standards are of a much more technical and complex nature. Thus, a few candidates found it difficult to access the marks available in this part of the project.

Section 3: preparing candidates for future assessment

Question paper

Teachers and lecturers should ensure that candidates are well prepared in all aspects of the course and that they have good recall of all relevant layouts and processes. This is especially important as the 2024 diet will not be subject to any course modifications, with all content subject to possible assessment in the question paper component.

It would also be worthwhile reminding candidates that topics may be assessed in consecutive years, once again highlighting the importance of complete, thorough, preparation.

Additionally, as this is the highest level of qualification in accounting, only the most accurate work will be rewarded with full, or near to full, marks. Candidates should ensure that they provide clearly annotated workings, where applicable.

Project

Candidates who found accessing marks challenging had often opted for a more obscure stakeholder, such as a director or lender. Interrogating the annual report in enough depth to gain full, or close to full, marks was harder for these candidates than for those who opted to look at the report from the point of view of an employee or investor.

Teachers and lecturers should encourage candidates to think of questions, queries or concerns that a stakeholder may have, then go to the annual report to find the evidence they would need to allay or confirm their concerns.

Where contact time with candidates is restricted, teachers and lecturers should set deadlines for discussions with candidates to check fundamental aspects of the task. These could include ensuring the company is on the FTSE 100, and that word count and referencing requirements are met.

Appendix: general commentary on grade boundaries

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

For most National Courses, SQA aims to set examinations and other external assessments and create marking instructions that allow:

- ◆ a competent candidate to score a minimum of 50% of the available marks (the notional grade C boundary)
- ◆ a well-prepared, very competent candidate to score at least 70% of the available marks (the notional grade A boundary)

It is very challenging to get the standard on target every year, in every subject at every level. Therefore, SQA holds a grade boundary meeting for each course to bring together all the information available (statistical and qualitative) and to make final decisions on grade boundaries based on this information. Members of SQA's Executive Management Team normally chair these meetings.

Principal assessors utilise their subject expertise to evaluate the performance of the assessment and propose suitable grade boundaries based on the full range of evidence. SQA can adjust the grade boundaries as a result of the discussion at these meetings. This allows the pass rate to be unaffected in circumstances where there is evidence that the question paper or other assessment has been more, or less, difficult than usual.

- ◆ The grade boundaries can be adjusted downwards if there is evidence that the question paper or other assessment has been more difficult than usual.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the question paper or other assessment has been less difficult than usual.
- ◆ Where levels of difficulty are comparable to previous years, similar grade boundaries are maintained.

Grade boundaries from question papers in the same subject at the same level tend to be marginally different year on year. This is because the specific questions, and the mix of questions, are different and this has an impact on candidate performance.

This year, a package of support measures was developed to support learners and centres. This included modifications to course assessment, retained from the 2021–22 session. This support was designed to address the ongoing disruption to learning and teaching that young people have experienced as a result of the COVID-19 pandemic while recognising a lessening of the impact of disruption to learning and teaching as a result of the pandemic. The revision support that was available for the 2021–22 session was not offered to learners in 2022–23.

In addition, SQA adopted a sensitive approach to grading for National 5, Higher and Advanced Higher courses, to help ensure fairness for candidates while maintaining

standards. This is in recognition of the fact that those preparing for and sitting exams continue to do so in different circumstances from those who sat exams in 2019 and 2022.

The key difference this year is that decisions about where the grade boundaries have been set have also been influenced, where necessary and where appropriate, by the unique circumstances in 2023 and the ongoing impact the disruption from the pandemic has had on learners. On a course-by-course basis, SQA has determined grade boundaries in a way that is fair to candidates, taking into account how the assessment (exams and coursework) has functioned and the impact of assessment modifications and the removal of revision support.

The grade boundaries used in 2023 relate to the specific experience of this year's cohort and should not be used by centres if these assessments are used in the future for exam preparation.

For full details of the approach please refer to the [National Qualifications 2023 Awarding — Methodology Report](#).