

SQA Advanced Unit specification

General information for centres

This Graded Unit has been validated as part of the SQA Advanced Certificate in Accounting. Centres are required to develop the assessment instrument in accordance with this validated specification. Centres wishing to use another type of Graded Unit or assessment instrument are required to submit proposals detailing the justification for change for validation.

Graded Unit title: Accounting: Graded Unit 1

Graded Unit code: HR14 47

Type of Graded Unit: Examination

Assessment Instrument: Closed-book Examination

Credit points and level: 1 SQA Credit at SCQF level 7: 8 SCQF credit points at SCQF level 7*)

**SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from National 1 to Doctorates.*

Purpose: This Graded Unit is designed to provide evidence that the candidate has achieved the following principal aims of the SQA Advanced Certificate in Accounting:

- ◆ To prepare candidates for progression to further study in accounting or a related discipline.
- ◆ To develop and integrate a range of contemporary vocational skills (ie evaluating and interpreting financial data).
- ◆ To enable candidates to integrate financial, costing and management data.

Recommended prior knowledge and skills: It is recommended that the candidate should have completed or be in the process of completing the following Units relating to these specific aims prior to undertaking this Graded Unit:

- ◆ HP04 47: *Recording Financial Information*
- ◆ HR12 47: *Preparing Financial Statements*
- ◆ HR10 47: *Using Financial Accounting Software*
- ◆ HR11 47: *Management Accounting Using Information Technology*
- ◆ HP5H 47: *Cost Accounting*

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Core Skills: There are no Core Skills embedded in this Graded Unit specification.

Assessment: This examination-based Graded Unit is a closed-book examination. It will consist of an examination of three hours.

An exemplar instrument of assessment and marking guidelines have been produced to show the national standard of achievement required at SCQF level 7

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Administrative Information

Graded Unit code:	HR14 47
Graded Unit title:	Accounting: Graded Unit 1
Original date of publication:	August 2017
Version:	01

Version	Description of change	Date

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SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

FURTHER INFORMATION: Call SQA's Customer Contact Centre on 44 (0) 141 500 5030 or 0345 279 1000. Alternatively, complete our [Centre Feedback Form](#).

Unit specification: instructions for designing the assessment task and assessing candidates

Graded Unit title: Accounting: Graded Unit 1

Conditions of assessment

The assessment is based on a closed-book examination lasting three hours.

If a candidate does not achieve a pass or if a candidate wishes to upgrade, this must be based on a significantly different examination from that given originally. A candidate's grade will be based on his/her achievement on the new assessment event using a significantly different examination, if this results in a higher grade.

The examination should be unseen and the assessment should be conducted in controlled and invigilated conditions.

At all times, the security, integrity and confidentiality of examinations must be ensured.

Centres are reminded that the examination should be unseen. As such, centres must ensure that candidates do not know any of the following details in advance of the examination:

- ◆ Whether the financial statements will be for a partnership or a limited company;
- ◆ Which three narrative questions (from the choice of five) will be given for both Sections A and B of Part 2
- ◆ The exact details of the narrative questions.

Instructions for designing the assessment task

The examination should be designed to assess the candidate's critical knowledge and understanding of the topics relating to the specific aims which this Graded Unit is designed to cover. The questions and corresponding marks should be designed in accordance with the ranges indicated in the table that follows. However, the overall total mark for the examination is 100.

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Key topics	Level of demand	Percentage weighting for each topic
Part 1 Computational (Note 1)		
Purchase of Materials (Note 2)	Complete or check the accuracy of Inventory Record Card(s)	10%
Wages Analysis (Note 3)	Complete or check documentation relating to payroll calculations	
Ledger Accounts and Trial Balance	Incorporate material purchase, wages and other adjustments into ledger accounts Produce a Trial Balance based on now completed ledger accounts	25%
Preparation of Financial Statements	Produce the required Income Statement, Statement of Financial Position and Statement of Change in Equity (where	25%
Part 2 Narrative		
Candidates should select 2 questions from a choice of 3 in both Sections A and B	Describe, explain, illustrate and evaluate	40%

Part 1: Computational Section

- This part of the examination relates to a manufacturing company.
- One materials invoice showing delivery of material on the last day of the financial period along with a completed goods received note. Candidates should be given:
 - a partially completed Inventory Record Card(s) to complete
 - or**
 - a completed Inventory Record Card to check for accuracy and amend as required
- Candidates should be given information relating to payroll calculations, eg clock cards, time sheets, wages analysis, etc. The information may be complete or incomplete. Candidates will be required to either:
 - compute wage costs and identify direct and indirect costs
 - or**
 - check the documentation and amend as required

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Part 2: Narrative Section (divided into two sections)

Section A — Financial Accounting

The **three** questions given to candidates should cover **three** of the following topics:

- a Users of financial information and interpretation of financial statements
- b Preparation of financial statements and year-end adjustments
- c Financial accounting software packages
- d Accounting control mechanisms
- e Distinction between financial and cost accounting

Section B — Management Accounting

The **three** questions given to candidates should cover **three** of the following topics:

- a The theory and practice of budgeting
- b Cost behaviour
- c Costing systems
- d The use of IT to assist in the provision of management information
- e Distinction between cost and financial accounting

The examination will be marked out of 100. Assessors will aggregate the marks achieved by the candidate to arrive at an overall mark for the examination. Assessors will then assign a grade to the candidate for this Graded Unit based on the following grade boundaries:

- ◆ A = 70% — 100%
- ◆ B = 60% — 69%
- ◆ C = 50% — 59%

Guidance on grading candidates

Candidates who meet the minimum Evidence Requirements will have their achievement graded as a C (competent), A (highly competent), or B (somewhere between A and C). The grade related criteria to be used to judge candidate performance for this Graded Unit is specified in the following table:

Grade-related criteria	
Grade A	Grade C
<p>Is an exam script which consistently:</p> <ul style="list-style-type: none"> ◆ interprets and understands the question in a way which demonstrates insight and clear understanding of issues and ◆ answers demonstrate a comprehensive analysis and evaluation of relevant information ◆ responses are logically structured and coherently expressed demonstrating consistent use of ◆ is clear and well-structured throughout with language and terminology used of a consistently high standard in terms of level, accuracy and technical content ◆ consolidates and integrates required knowledge and skills linking concepts and ideas and relating answers explicitly to the question ◆ convincingly argues and shows links between discussions and conclusions demonstrating comprehensive knowledge and understanding as well as analysing and evaluation skills ◆ provides evidence of possible alternative approaches and arguments as well as understanding of different interpretations 	<p>Is an exam script which:</p> <ul style="list-style-type: none"> ◆ interprets and understands the question in a way which enables the candidate to meet the basic criteria required ◆ answers demonstrate a limited analysis evaluation and explanation of the question and other relevant ◆ responses are uneven and convey limited understanding although some relevant points are made ◆ is satisfactorily structured with language and terminology used adequate, although not always consistent, in terms of level, accuracy and technical content ◆ consolidates and integrates required knowledge and skills but may lack continuity and consistency and fail to show clear links to concepts and ideas ◆ argues and justifies conclusions in an acceptable way but these conclusions may lack reasoned understanding, may not link well to discussions and may show limited knowledge ◆ is likely to show one approach and limited understanding of different interpretations

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Support notes

This part of the Unit specification is offered as guidance. The support notes are not mandatory. While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

This Unit is designed to assess the candidate's ability to integrate knowledge and understanding across the mandatory Units:

HP04 47: *Recording Financial Information*,

HR12 47: *Preparing Financial Statements*,

HR10 47: *Using Financial Accounting Software*,

HR11 47: *Management Accounting Using Information Technology*, and

HP5H 47: *Cost Accounting*.

Equality and inclusion

This unit specification has been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners should be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements.

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General information for candidates

This Graded Unit is a mandatory element of the SQA Advanced Certificate in Accounting and is designed to assess your ability to integrate and apply knowledge across the mandatory Units: HP04 47: *Recording Financial Information*, HR12 47: *Preparing Financial Statements*, HR10 47: *Using Financial Accounting Software*, HR11 47: *Management Accounting Using Information Technology*, and HP5H 47: *Cost Accounting*.

This Graded Unit is assessed by a closed-book examination of three hours. The examination consists of two parts:

Part 1: Computational (60%)

- ◆ Purchase of materials Wages analysis
- ◆ Ledger accounts and trial balance
- ◆ Preparation of financial statements

Part 2: Narrative (40%)

- ◆ Financial accounting
- ◆ Management accounting

Grades will be awarded on the following basis:

A = 70% — 100%

B = 60% — 69%

C = 50% — 59%