

Higher National Graded Unit specification

General information for centres

This Graded Unit has been validated as part of the HNC 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: DE64 34

Type of Graded Unit: Examination

Assessment Instrument: Closed-book

Credit points and level: 1 HN 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 Access 1 to Doctorates.*

Purpose: This Graded Unit is designed to provide evidence that the candidate has achieved the following principal aims of the HNC 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:

- ◆ DE5D 34 *Recording Financial Information*
- ◆ DE5C 34 *Preparing Final Accounts*
- ◆ DE59 34 *Using Financial Accounting Software*
- ◆ DE9G 34 *Management Accounting Using IT*
- ◆ DE5F 34 *Cost Accounting*

Core Skills: The achievement of this Unit gives automatic certification of the following:

Using Number at SCQF level 5

General Information for Centres (cont)

Assessment: This examination-based Graded Unit is closed-book. It will consist of a written examination of 3 hours.

An exemplar instrument of assessment and marking guidelines have been produced to provide an example of the specific evidence required to demonstrate achievement of the aims of the HNC Accounting Group Award which this Graded Unit is designed to cover and to indicate the national standard of achievement required at SCQF level 7.

To achieve this Unit, candidates should attain 50% of available marks with achievement being graded according to marks attained.

Administrative Information

Graded Unit code: DE64 34
Graded Unit title: Accounting: Graded Unit 1
Original date of publication: August 2004
Version: 03 (June 2007)

History of changes:

Version	Description of change	Date
02	Amendment to Core Skills statement — Page 1.	September 2006
03	(a) Change to weighting allocation (Parts 1 and 2). (b) Part 2 divided into two sections. (c) Inclusion of Using Financial Accounting Software (DE59 34) within Graded Unit topics.	June 2007

Source: SQA

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Higher National Graded 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 3 hours. The grade given will reflect the candidate's achievement on the first assessment event.

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.

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.

Key topics	Level of demand	Percentage weighting for each topic
Part 1 Computational (Note 1)		
Purchase of Materials (Note 2) Wages Analysis (Note 3)	Complete or check the accuracy of Stores Record Cards Complete or check documentation relating to payroll calculations	10%
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 Final Accounts	Produce the required Financial Statements in accordance with GAAP	25%
Part 2 Narrative		
Candidates should select 2 questions from a choice of 3 in both Sections A and B (Note 4)	Describe, explain, illustrate and evaluate	40%

Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

Notes:

Part 1: Computational Section

- 1 This part of the examination relates to a manufacturing company.
- 2 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 Stores Record Card(s) to complete
or
a completed Store Record Card to check for accuracy and amend as required
- 3 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

Part 2: Narrative Section (divided into two sections)

4 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 Final Accounts
- b. Preparation of Final Accounts 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

Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

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%

Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

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 A	Grade C
<p>Is a seamless, coherent piece of work or 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 relationships ◆ answer demonstrate a comprehensive analysis and evaluation of relevant information ◆ responses are logically structured and coherently expressed demonstrating consistent use of correct terminology ◆ 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 a co-ordinated piece of work or 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 information ◆ 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

Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

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.

Guidance on the content and context for this Unit

This Unit is designed to assess the candidate's ability to integrate knowledge across a range of mandatory Units within the award HNC Accounting, focusing on the following objectives:

- ◆ demonstrate knowledge relevant to current accounting practice
- ◆ demonstrate integration of financial and costing data
- ◆ demonstrate the knowledge required for progression to employment and higher education

The notional 40 hours could be used to extend the candidate's ability to present and evaluate information which is routine to the subject discipline.

Guidance on the delivery and assessment of this Unit

This Unit should build skills and competencies which meet the criteria of SCQF level 7. It should extend the candidate's ability to present and evaluate information which is routine to the subject discipline.

This Unit will give centres the opportunity to show candidates how the mandatory Units in the Group Award are integrated. As part of the preparation for the Graded Unit examination, centres could consider examination technique and terminology and the structure and presentation of written responses.

Preparation for the Graded Unit should feature in the delivery of the mandatory Units noted in this Unit specification.

Candidates with disabilities and/or additional support needs

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments or considering special alternative assessment arrangements. For information on these, please refer to the SQA document *Guidance on Alternative Assessment Arrangements for Candidates with Disabilities and/or Additional Support Needs*, which is available on SQA's website: www.sqa.org.uk.

General information for candidates

The Graded Unit is designed to allow you to integrate and apply knowledge across a range of mandatory Units for the award of HNC Accounting.

This Graded Unit is assessed by a closed-book examination of 3 hours. The examination consists of two parts:

Part 1: Computational (60%)

- ◆ Purchase of materials
- ◆ Wages analysis
- ◆ Ledger Accounts and Trial Balance
- ◆ Preparation of Final Accounts

Part 2: Narrative (40%)

- ◆ Financial Accounting
- ◆ Management Accounting

The Graded Unit is a compulsory element of the Group Award and will be awarded at the following grades:

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