



Analysing Accounting Information (Higher) Unit

SCQF: level 6 (6 SCQF credit points)

Unit code: H1YS 76

Unit outline

The general aim of this Unit is to allow learners to develop the knowledge and understanding of the interpretation and analysis of accounting information, and the ability to interpret and analyse such information using a range of routine and complex techniques. They will carry out learning activities that allow them to investigate, analyse and report on an organisation's current financial position and performance, and to offer financial solutions that can assist in future planning and decision making. This will provide learners with an understanding of financial analysis.

Learners who complete this Unit will be able to:

- 1 Describe analysis techniques applied in accounting statements
- 2 Evaluate business performance, based on accounting analysis, to make business recommendations

This Unit is a mandatory Unit of the Higher Accounting Course and is also available as a free-standing Unit. The Unit Specification should be read in conjunction with the *Unit Support Notes*, which provide advice and guidance on delivery, assessment approaches and development of skills for learning, skills for life and skills for work. Exemplification of the standards in this Unit is given in *Unit Assessment Support*.

The *Course Assessment Specification* for the Higher Accounting Course gives further mandatory information on Course coverage for learners taking this Unit as part of the Higher Accounting Course.

Recommended entry

Entry to this Course is at the discretion of the centre. However, learners would normally be expected to have attained the skills, knowledge and understanding required by one or more of the following or equivalent qualifications and/or experience:

- ◆ National 5 Accounting Course
- ◆ National 5 Mathematics Course

Examples of other relevant prior learning and experiences would include the development of logical and analytical thinking skills and the ability to use ICT, particularly spreadsheets.

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. For further information, please refer to the *Unit Support Notes*.

Standards

Outcomes and assessment standards

Outcome 1

The learner will:

- 1 Describe analysis techniques applied in accounting statements by:**
 - 1.1 Detailing the purpose and limitations of accounting ratios
 - 1.2 Describing the influence of financial and non-financial performance indicators

Outcome 2

The learner will:

- 2 Evaluate business performance, based on accounting analysis, to make business recommendations by:**
 - 2.1 Using analytical techniques to perform calculations on accounting information and to evaluate the results
 - 2.2 Making appropriate recommendations based on the results of accounting analysis

Evidence Requirements for the Unit

Assessors should use their professional judgement, subject knowledge and experience, and understanding of their learners, to determine the most appropriate ways to generate evidence and the conditions and contexts in which they are used.

Evidence for this Unit may be presented in a written response, as an ICT printout or by electronic means, and must use relevant accounting layouts and concepts.

Assessors should also use their professional judgement when giving learners credit for an appropriate degree of accuracy. This may mean giving credit for solutions which are numerically incorrect, but which show correct application of accounting concepts and methods.

Evidence may be presented for individual Outcomes or it may be gathered for the Unit as a whole through combining assessment in one single activity. If the latter approach is used, it must be clear how the evidence covers each Outcome.

For Outcome 2, analytical techniques should be selected from the following: ratio analysis, marginal costing and investment appraisal.

Exemplification of assessment is provided in *Unit Assessment Support*. Advice and guidance on possible approaches to assessment is provided in the *Unit Support Notes*.

Development of skills for learning, skills for life and skills for work

It is expected that learners will develop broad, generic skills through this Unit. The skills that learners will be expected to improve on and develop through the Unit are based on SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work* and drawn from the main skills areas listed below. These must be built into the Unit where there are appropriate opportunities.

2 Numeracy

- 2.1 Number process
- 2.2 Money, time and measurement
- 2.3 Information handling

4 Employability, enterprise and citizenship

- 4.2 Information and communications technology (ICT)

5 Thinking skills

- 5.3 Applying
- 5.4 Analysing and evaluating

Amplification of these is given in SQA's *Skills Framework: Skills for Learning, Skills for Life and Skills for Work*. The level of these skills should be at the same SCQF level of the Unit and be consistent with the SCQF level descriptor. Further information on building in skills for learning, skills for life and skills for work is given in the *Unit Support Notes*.

Administrative information

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Superclass: AK

History of changes to National Unit Specification

Version	Description of change	Authorised by	Date

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Note: readers are advised to check SQA's website: www.sqa.org.uk to ensure they are using the most up-to-date version of the Unit Specification.

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