

2006 Accounting & Finance

Standard Grade – Credit

Special Instructions

Finalised Marking Instructions

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2006 Standard Grade – Accounting and Finance

Credit Paper

Special Instructions

ACCEPT consequential errors

LOSE award for any items omitted

Question 1

(a) Mark as per solution

Columns “Quantity to Cost” – any items wrong/missing

Any sub-total wrong/missing

Lose award for total

Trade Discount wrong

(watch for consequentiality)

Trade Discount added

Lose award for total

VAT deducted

Lose award for total

Alternative solution – see separate sheet

(b) Mark as per solution

(c) Any valid benefit/drawback

Max^m 4 marks for benefits

Max^m 4 marks for drawbacks

Award Marks Lost	Penalties
-1 each line	
-1	
-1	
-1	
-1	
ACCEPT	

Question 2

(a) Mark as per solution

Heading wrong/missing

Any figure omitted/wrong

Any extraneous items (Debtors, Furniture and Fittings, Motor Vehicles, Creditors)

Sales £105,000 2 marks

Sales Returns added to Sales

Carriage In subtracted from Purchases

Purchases Returns added to Purchases

Closing Stock added to Purchases

Cost of Sales added to Net Sales

If Gross Profit label omitted lose award for Gross Profit figure

Rent Received	£5,000	2 marks
	£3,600	1 mark
	£1,400	1 mark
	£2,200	1 mark

Admin Expenses	£12,300	2 marks
	£12,900	1 mark
	£600	1 mark
	£13,500	1 mark

Accept adjustment immediately below – if detached lose award for adjustment

If any sub-total wrong – lose award for Net Profit

If Net Profit label omitted lose award for Net Profit figure

Award Marks Lost	Penalties
	-1 max
Lose award	
	-1 max
Lose award	
Lose award	
Lose award	
Lose award	
Lose award for Gross Profit	

Question 2 continued

- (b) Any 3 valid reasons

- (c) Any 2 valid sources
Any 2 valid advantages
Any 2 valid disadvantages

Award Marks Lost	Penalties
ACCEPT	
ACCEPT ACCEPT ACCEPT	

Question 3

(a) Mark as per solution

Trial Balance difference wrong
Balance amount correct but on wrong side

-1
-1

Sales amount wrong
Sales amount correct but on wrong side

-1
-1

Advertising amount wrong
Advertising amount correct but on wrong side

-1
-1

Rent received shown as £450 on Dr side
Rent received amount correct but on wrong side

-1
-1

Purchases amount wrong
Purchases amount correct but on wrong side

-1
-1

Transaction 3 included in Suspense Account

Lose award

Entries in ledger accounts could be consequential on entries
in Suspense

Accept

Any ledger account entry
Wrong/omitted

Lose award

(b) Marks as per solution

(c) Any valid explanation
Any valid example (max 4 marks)

ACCEPT
ACCEPT

(d) Any valid explanation
(1 for P&L A/c: 1 for Cash Budget)

ACCEPT

	Award Marks Lost	Penalties
<p>(a) Mark as per solution</p> <p>Trial Balance difference wrong Balance amount correct but on wrong side</p> <p>Sales amount wrong Sales amount correct but on wrong side</p> <p>Advertising amount wrong Advertising amount correct but on wrong side</p> <p>Rent received shown as £450 on Dr side Rent received amount correct but on wrong side</p> <p>Purchases amount wrong Purchases amount correct but on wrong side</p> <p>Transaction 3 included in Suspense Account</p> <p>Entries in ledger accounts could be consequential on entries in Suspense</p> <p>Any ledger account entry Wrong/omitted</p>	<p>-1 -1</p> <p>-1 -1</p> <p>-1 -1</p> <p>-1 -1</p> <p>-1 -1</p> <p>-1 -1</p> <p>Lose award</p> <p>Accept</p> <p>Lose award</p>	
<p>(b) Marks as per solution</p>		
<p>(c) Any valid explanation Any valid example (max 4 marks)</p>	<p>ACCEPT ACCEPT</p>	
<p>(d) Any valid explanation (1 for P&L A/c: 1 for Cash Budget)</p>	<p>ACCEPT</p>	

Question 4

(a) Mark as per solution

One of the constituent parts of the BEP ratio must be correct to gain consequential mark for answer

Fixed Costs £360 2 marks
 £160 1 mark
 £200 1 mark

(b) Mark as per solution

Answer could be consequential of (a)

(c) Mark as per solution

Answer could be consequential on (a)

(d) Any valid reason

ACCEPT

(e) (i) Any valid explanation

ACCEPT

(ii) Any valid financial statement

ACCEPT

Any valid justification

ACCEPT

Award Marks Lost	Penalties

Question 5

(a) Mark as per solution

Any amount wrong/missing

Watch for consequentiality:

- Gross Profit % of new sales figure
- Cost of Sales figure
- Commission on sales %

Sub-total wrong lose award for Net Profit

Expenses added to Gross Profit – lose award for Net Profit

(b) Any valid suggestion

(c) Any 2 valid ratios

Any 2 valid benefits

Award Marks Lost	Penalties
Lose award	
ACCEPT	
ACCEPT	
ACCEPT	

Question 6

- (a) Mark as per solution

Wrong dates/omission of dates

Nomenclature wrong/missing

Any reasonable nomenclature

Do not penalise nomenclature if consequential on transaction

Mark nameless accounts if identifiable by its figures

If accounts **completely** reversed (VAT Dr balance must be correct)

If one entry correct (apart from VAT balance) mark as per solution

Bank Account

Mark as per solution

VAT Account

Mark as per solution

Equipment Account

Mark as per solution

If Asset treated as Sales – **lose award in Sales Account only**

Accept entries in Sales Returns, VAT and N Gillies & Sons accounts as being consequential

N Gillies & Sons

Mark as per solution

April 4 Equipment £2,800.00)
VAT £775.50)April 11 Equipment £660.00)
VAT £115.50)

- (b) Any 2 valid reasons

- (c) Any 2 valid reasons

Award Marks Lost	Penalties
ACCEPT	-1 max -1 max
Award half marks (max 7)	
ACCEPT 1 mark each	
ACCEPT 1 mark each	
ACCEPT	
ACCEPT	

Standard Grade Accounting and Finance

2006 Credit Level Paper – Analysis of Questions

Question		Mark	Element	EGRC
1	a	8	HI	a
	b	4	KU	c
	c	10	KU	a
2	a	18	HI	c
	b	6	KU	c
	c	12	KU	b
3	a (i) & (ii)	14	HI	b
	b	5	HI	b
	c	6	KU	d
	d	4	KU	e
4	a	5	HI	c
	b	3	HI	c
	c	4	HI	c
	d	4	KU	e
	e (i) & (ii)	10	KU	f
5	a	10	HI	d
	b	4	KU	e
	c	12	KU	f
6	a (i) & (ii)	13	HI	b
	b	4	KU	f
	c	4	KU	f

	a	b	c	d	e	f	
KU	10	12	10	6	20	22	= 80
HI	8	32	30	10	-	-	= 80

[END OF MARKING INSTRUCTIONS]