

2006 Accounting

Intermediate 2 – Special Instructions

Finalised Marking Instructions

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2006 ACCOUNTING

MARKING CONVENTIONS

| CONVENTION | EXPLANATION | MARK(S) ON CANDIDATE PAPER |
|-------------------|---|---|
| Extraneous | Item entered which should not be in the answer | -2E |
| Consequential | If a figure in a question is wrong, any further calculations are awarded marks if correct, as a consequence of using that figure | C |
| Nomenclature | The details in an account are wrong/missing | -1N |
| Dates | The date for an entry is wrong/missing | -1D |
| Complete Reversal | All the ledger entries are made the wrong way round The question is marked as if correct and then the total mark is divided by 2 | R eg Total Mark = 12 Divided by 2 Mark awarded = 6 |
| Plus/Minus Rule | If an entry is shown correctly it is awarded the mark (+). If the same entry then appears again in another part of the question the mark is deducted (-) ie no mark is gained and there is no penalty | eg Correct entry £60,000 Sales in the Trading Account Mark awarded 1 (+-) Wrong entry £60,000 Sales also entered in the Profit & Loss Mark deducted -1 (+-) |
| Penalty | The answers given are more than required (4 given instead of 3) and one of them is wrong. A heading is wrong/missing from a final account. The answer is correct but not given in the format requested. ie question asks for an account or a statement | -1P |

General

- 1 Assess pencil figures and working. If the script is predominantly in pencil refer to the Principal Examiner.
- 2 A maximum of 10% of marks gained on any individual question may be deducted for untidy work and poor style. This penalty should only be applied in exceptional circumstances.
- 3 Work which has been deleted gains no marks even if it is correct. Exceptional cases may be drawn to the attention of the Principal Examiner.
- 4 Consequential errors **MUST NOT** be penalised, subject to the marking instructions for each question.
- 5 Mark workings whether or not they are incorporated in the final answer. Deduct a penalty of – 2 marks per question for working which is not incorporated in the final answer.
- 6 Incorrect figures, supported by adequate workings – award marks for any correct operations performed.
- 7 Incorrect figures, not supported by adequate workings – lose awards, unless the marking instructions specify otherwise. If arithmetic error – lose 1 mark.
- 8 **EXTRANEIOUS ITEMS:** see instructions for specific questions.

Penalties should be shown beside the figure and encircled, eg -1P -1E -1 +/-

- 9 If right and wrong – give value of award where right, deduct value of award where wrong (cross reference +/- against relevant figures).
- 10 Indicate awards given for each item, eg £1500 1

In essay type questions indicate marks awarded beside the point made by candidate – **NOT IN THE MARGIN.**

Sub-totals for sections should be indicated and encircled, eg $\textcircled{4/6}$

Final total should be clearly indicated and easy to check, eg Q1 = 24/25

Question 1

Gleneagles plc

| | Award Marks Lost | Penalties |
|--|------------------------|---|
| <p>(a) Profit and loss a/c (16 marks)</p> <p>Heading incorrect or omitted</p> <p>All figures to which marks have been allocated have been awarded 1 marks (but rates and general expenses are worth 2 once adjusted) And must be attached or on next line</p> <p>Any item wrong or omitted</p> <p>NB. Net profit before tax and P and L Bal c/f are consequential on candidate's answers</p> <p>The following figures must have their label attached in order to gain award</p> <p style="padding-left: 40px;">Net profit before tax Unappropriated Profit 1/4/05 Unappropriated Profit 31/3/06 Don't accept balance on its own</p> <p>Extraneous items ie Balance Sheet items</p> <p>Balance Sheet (16 marks)</p> <p>Heading incorrect or omitted</p> <p>All figures to which marks have been allocated have been awarded 1 mark (only NBV for fixed assets gains award)</p> <p>Any item wrong or omitted</p> <p>If item under wrong heading – lose award but NO PENALTIES</p> <p>Extraneous items ie Profit and loss a/c items</p> <p>WATCH FOR CONSEQUENTIALITY IN THE FOLLOWING FIGURES:</p> <p>Vehicles – NBV Proposed dividends – must have both figures to gain award Profit and Loss a/c balance</p> <p>Ordinary/preference shares must state either the number or value of the shares and must be first in section Debentures should be last item in Financial by section</p> | <p>1</p> <p>1 each</p> | <p>-1</p> <p>-2 (Max -4)</p> <p>-1</p> <p>-2 (Max -4)</p> |
| <p>(b) Mark as per solution</p> | | |

Question 2

Cowie plc

| | | Award Marks Lost | Penalties |
|-----|--|-----------------------------|------------------|
| (a) | <p>3 marks are allocated to correct formula/figures and 1 mark to final answer BUT wrong formula = 0</p> <p>If formula correctly written down award marks as follows: Formula 1 mark Each correct figure 1 plus 1 Final figure 1 mark Wrong label to final answer</p> | | -1 once |
| (b) | <p>(i) Mark as per solution but consequential on (a)</p> <p>If no answer to calculation of ratio in (a) then no marks can be awarded to the possible cause in (b)(i)</p> <p>For complete reversal of increase/decrease accept consequential reasons and apply penalty</p> <p>(ii) Any 2 ratios named = 1 mark each Correct formula = 1 mark each Formula given but no label – award 1 mark</p> | 1 | -2 once |

Question 3

Munjoma and Sons

| | Award Marks Lost | Penalties |
|---|---|---|
| <p>(a) (i)+(ii) Award marks as per solution BUT For item 2 award 1 mark for £900 in credit column For item 5 award 4 marks for one entry of £130 award 2 marks for debit of £130 or 2 x £65 For item 6 award 1 mark for £120 in credit column award 1 mark for £60 in debit column</p> <p>(iii) Account and amount must be correct to get 2 marks Items appearing in (ii) and (iii) apply +/- 1 rule</p> | | |
| <p>(b) (i) Heading omitted/incorrect (must include word Appropriation) Net profit not £26,000</p> <p>Interest on capital figures: wrong not deducted ie added omitted</p> <p>Salary wrong/omitted/not deducted</p> <p>Abu's profit share not 2/3 of residual profit James' profit share not 1/3 of residual profit Extraneous items eg capital/drawings</p> | <p>1 each 1 each 2 each</p> <p>1</p> <p>2 2</p> | <p>-1 -1</p> <p>-2 (Max -4)</p> |
| <p>(ii) Mark as per solution – consequential on appropriated a/c BUT complete reversal – half marks ie 2 marks (not opening balance)</p> | | |
| <p>(c) Mark as per solution</p> | | |

Question 4

Russell plc

| | Award Marks Lost | Penalties |
|---|---------------------|-----------|
| (a) Right or wrong – mark as per solution | | |
| (b) (i) Right or wrong but accept $\text{£}60,000/4000 = \text{£}15$ | | |
| (ii) Variable costs not total costs less fixed costs | 2 | |
| Not divided by appropriate no of units | 1 | |
| (iii) Not candidate's answer to (b) (i) less candidate's answer to (b) (ii) | 2 | |
| (iv) Wrong formula for B/E pt (units) | 2 | |
| Fixed costs not $\text{£}24,000$ | 2 | |
| Not divided by candidate's answer to (b) (iii) | 2 | |
| Answer of 4 = 0 | 2 | |
| Not multiplied by candidate's answer to (b) (i) | 1 | |
| (v) Contribution not $5000 \times$ candidate's answer to (b) (iii) | 2 | |
| Fixed costs wrong/not deducted | 1 | |
| OR | | |
| Units over B/E not 5000 less candidate's answer to (b) (iv) | 2 | |
| Not multiplied by candidate's answer to (b) (iii) | 1 | |
| (vi) Contribution required not $\text{£}33,000$ | 2 | |
| Not divided by candidate's answer to (b) (iii) | 2 | |
| (c) (i) Not candidate's answer to (b) (iii) divided by 2 | 2 | |
| (ii) Answer not 12,000 | 2 | |

Question 4 cont

Russell plc

| | Award Marks Lost | Penalties |
|---|-----------------------------|------------------|
| (d) (i) Answer not £4 | 1 | |
| (ii) Answer not as per (d) (i) | 1 | |
| (iii) Yes = 1 mark Reason = 1 mark (only if yes is answer) | | |
| (iv) Hours allocated to Q not 2,000 | 1 | |
| Hours allocated to Z not answer to (c)(ii) less hours allocated to Q | 1 | |
| Contribution from Q not Q's hours x (d)(ii) or 2,000 x (d)(i) | 1 | |
| Contribution from Z not Z's hours x (c)(i) or 5,000 x (b)(iii) | 1 | |
| Fixed costs wrong/omitted/not subtracted | 1 | |
| If answer to (d)(iii) is x10 – candidate should produce profit for 6000 units of Z. | | |
| If correct ie £12.000 – award $\frac{2}{5}$ | 3 | |
| (e) Mark as per solution | | |

Question 5

| | Award Marks Lost | Penalties |
|---|-----------------------------|------------------|
| (a) (i) Mach. Main. – any figure wrong/omitted Another figure wrong/omitted | 2 each | |
| (ii) Cost centre Y – any figure wrong/omitted Cost centre X – any figure wrong/omitted | 1 each 2 each | |
| (b) Answer is right or wrong or consequential | 2 | |
| (c) (i) Mark as per solution | | |
| (ii) No explanation but correct example given – award 1 mark | 1 | |

Question 6

Part A

| | Award Marks Lost | Penalties |
|--|---------------------|-----------|
| (a) (i) Right/wrong – mark as per solution | | |
| (ii) Sunday overtime wrong/omitted | 2 each | |
| Other overtime wrong/omitted | 2 each | |
| Not totalled | 1 each | |
| (iii) Time allowed wrong | 2 each | |
| Time saved not hours worked less TA | 1 each | |
| Bonus not time saved x £3 | 1 each | |
| (iv) Not total of (a)(i), (ii) and (iii) | 1 each | |
| (b) Mark as per solution | | |
| Part B | | |
| Must be in Account from or treat all calculations as debit entries | | |
| Material/wages wrong/omitted | 2 each | |
| Overheads wrong/omitted | 1 | |
| Normal loss not 100kg | 1 | |
| Normal loss not valued at £1.50 per kg | 1 | |
| Output not 1900 kg | 1 | |
| Cost per kg not £5/conseq | 2 | |
| Output value not 1900 x cost per kg | 2 | |

[END OF MARKING INSTRUCTIONS]