



Course report 2019

Subject	Accounting
Level	Advanced Higher

This report provides information on candidates' performance. Teachers, lecturers and assessors may find it useful when preparing candidates for future assessment. The report is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published assessment documents and marking instructions.

The statistics used in this report have been compiled before the completion of any post-results services.

Section 1: comments on the assessment

Question paper

The question paper performed as expected. Candidates took advantage of the optional part of the question paper, with a reasonable split in the number attempting either question 4 or question 5.

Project

The project also performed as expected. Candidates made a good attempt at both aspects covered within the project assessment task, although candidates tended to score slightly more marks for the section focused on the usefulness of company annual reports.

The writing was, in general, of a good standard and candidates worked to the prescribed word count. Almost all candidates adhered to the candidate guidance.

Section 2: comments on candidate performance

Areas that candidates performed well in

Question paper

Question 1

- ◆ Most candidates coped well with the demands of the Activity Based Costing question.
- ◆ Most candidates produced a flexible budget which was well set out and contained accurate data.

Question 2

- ◆ Most candidates produced a separate set of notes to the accounts to calculate COS, Admin and S&D costs. Overall, this was done to a good degree of accuracy.

Question 3

- ◆ Candidates appeared to have a good knowledge of contract costing and the associated layout requirements.

Question 4

- ◆ For some candidates, variances proved to be a very accessible question with several candidates scoring full marks.

Question 5

- ◆ Parts (b), (c) and (d) were well attempted. Most candidates who attempted this question were able to accurately calculate depreciation, profit/loss on sale of asset and properly recognise changes in working equity as inflows or outflows.

Project

Annual reports: theory

Candidates provided clear details on strengths and weaknesses of the company annual report.

Annual reports: application

Most candidates were able to successfully evaluate the usefulness of the annual report from the perspective of two stakeholders, citing evidence from the relevant sections of the annual report of their chosen company.

Conclusion

Most candidates were able to successfully draw conclusions which referenced the original quotes in the assessment task.

Areas that candidates found demanding

Question paper

Question 1

- ◆ In part (b)(ii) some candidates failed to carry out the instructed calculation of overhead costs, adding direct costs in error.
- ◆ In part (c) many candidates used mark-up over margin, despite margin being stated in the question.

Question 2

- ◆ Many candidates did not present the Income Statement and/or Statement of Financial Position in the manner required at Advanced Higher level.
- ◆ Notes 7 and 8 in the question were poorly attempted.
- ◆ Statement of Retained Earnings was poorly attempted.

Question 3

- ◆ Some candidates did not present the contract account in the required format.
- ◆ Understanding of contents of prime cost, and the need for this to be clearly labelled, was an area of weakness for many candidates.
- ◆ Some candidates incorrectly combined costs associated, or not, with plant — depreciation, maintenance, loss on sale of scrap, hire of cleaning equipment.

Question 4

- ◆ For some candidates, variances proved challenging. There appeared to be a lack of knowledge of the relevant formulae and, in some cases, when a variance should be declared as favourable or adverse.
- ◆ Calculation of standard hours was particularly poor. Only a small number of candidates accessed the marks available for variance calculations which relied on this data.

Question 5

- ◆ Candidates struggled with part (a) of this question. Very few candidates were able to work across the year end and Statement of Financial Position data to accurately calculate the actual outflow associated with debenture interest and taxation.
- ◆ Very few candidates performed well in part (e) financing activities.

Project

Annual reports: application

While some candidates successfully evaluated the usefulness of the annual report from the perspective of two stakeholders, citing evidence from the relevant sections of the annual report of their chosen company, several candidates failed to interrogate the report from the perspective of a potential stakeholder. Some candidates relied too heavily on assessing the aesthetics of the report, rather than looking for evidence that may answer a question or calm a fear that the given stakeholder may have. This issue was highlighted in 2018, and remained a concern in 2019.

International Accounting Standards: theory

While this section was fairly well attempted, many candidates found judging the level of detail required within this section to be challenging. Explanations detailing the need for

International Accounting Standards, worth 8 marks, were too brief. However, in some instances, descriptions of the process for developing an International Accounting Standard, worth 2 marks, were overly long.

International Accounting Standards: application

Candidates found it challenging to apply the rationale underpinning their chosen international standards to the company in question's annual report. Many candidates did not cite examples of the ways in which the standard had been interpreted or implemented, resulting in few candidates scoring high marks in this section.

Referencing

It was evident that candidates found it quite difficult to reference sources consistently and clearly.

Section 3: preparing candidates for future assessment

Question paper

Teachers and lecturers should ensure that candidates are well prepared in all aspects of the course and that they have good recall of all relevant layouts and processes. This is the highest level of qualification in Accounting and only the most accurate work will be rewarded with full, or near to full, marks. Candidates should also ensure that they provide clearly annotated workings, where applicable.

Project

Candidates who found accessing marks challenging had often opted for a more obscure stakeholder, such as a director or lender. Interrogating the annual report in enough depth to gain full, or close to full, marks was harder for these candidates than for those who opted to look at the report from the point of view of an employee or investor. Teachers and lecturers should encourage candidates to think of questions, queries or concerns that a stakeholder may have, then go to the annual report to find the evidence they would need to allay or confirm their concerns.

Where contact time with candidates is restricted, teachers and lecturers should set deadlines for discussions with candidates in order to check fundamental aspects of the task. These could include ensuring the company is on the FTSE100, and that word count and referencing requirements are met.

Grade boundary and statistical information:

Statistical information: update on courses

Number of resulted entries in 2018	57
Number of resulted entries in 2019	64

Statistical information: performance of candidates

Distribution of course awards including grade boundaries

Distribution of course awards	Percentage	Cumulative %	Number of candidates	Lowest mark
Maximum mark				
A	39.1%	39.1%	25	140
B	23.4%	62.5%	15	120
C	25.0%	87.5%	16	100
D	9.4%	96.9%	6	90
No award	3.1%	-	2	-

General commentary on grade boundaries

SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.

SQA aims to set examinations and create marking instructions that allow:

- ◆ a competent candidate to score a minimum of 50% of the available marks (the notional C boundary)
- ◆ a well-prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary)

It is very challenging to get the standard on target every year, in every subject at every level.

Therefore, SQA holds a grade boundary meeting every year for each subject at each level to bring together all the information available (statistical and judgemental). The principal assessor and SQA qualifications manager meet with the relevant SQA head of service and statistician to discuss the evidence and make decisions. Members of the SQA management team chair these meetings. SQA can adjust the grade boundaries as a result of the meetings. This allows the pass rate to be unaffected in circumstances where there is evidence that the question paper has been more, or less, challenging than usual.

- ◆ The grade boundaries can be adjusted downwards if there is evidence that the question paper is more challenging than usual.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.

Grade boundaries from question papers in the same subject at the same level tend to be marginally different year to year. This is because the particular questions, and the mix of questions, are different. This is also the case for question papers set by centres. If SQA alters a boundary, this does not mean that centres should necessarily alter their boundary in the question papers that they set themselves.