



## Course report 2019

Subject	Accounting
Level	National 5

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**

This was the second year of the longer question paper and candidates performed better than last year (but in line with previous years). Candidates seemed better prepared to cope with the longer exam, with significantly fewer candidates failing to offer responses to questions.

Again, theory questions proved more challenging than computational questions, especially for candidates of lower ability. However, in line with previous question papers, candidates achieved, on average, just above half marks for theory. Last year it was significantly lower (just under 40%).

## **Assignment**

There was a slight drop in the average mark but many candidates achieved very high marks. On average, candidates scored 11% higher in the assignment than in the question paper. This gap was significantly lower than in 2018.

## **Section 2: comments on candidate performance**

### **Areas that candidates performed well in**

#### **Question paper**

Of the two 35-mark questions, candidates answered question 2 slightly better than question 1. Of the four 15-mark questions, candidates answered questions 3 and 5 significantly better than questions 4 and 6.

Question 1, Part A(a): most candidates knew the layout of an Income Statement and were able to select the necessary information and prepare it to a high standard. The average mark for this question was 70% which was significantly better than last year's question on preparing a Statement of Financial Position (average mark only just above 50%), indicating that candidates had been prepared better for this topic this year.

Question 2(a): although there were a couple of complex instructions in the question, candidates completed the cash budget to a very high standard. Full consequentiality was built in to the marking instruction so that candidates were not penalised excessively when they made errors of interpretation. For example, if candidates had given a discount of 75% to credit sales (instead of 25%) then they would only lose 1 mark instead of the whole line award. This meant that, despite candidates making several errors, they were rewarded consequentially for their line of thought, which resulted in high marks.

Question 3(a): this was the first time that FIFO had been assessed at National 5 and candidates performed just as well as previous years (when it was LIFO). The majority of marks not awarded in this question were down to layout and incorrect treatment of the return.

Question 5: this was a very straightforward trial balance question and the vast majority of candidates completed it to a very high level. Again, though, many candidates thought carriage in and carriage out were opposites in terms of Dr/Cr and therefore did not achieve a mark.

Question 6(a)(i) to (b)(i): this was the first time a break-even graph had been assessed in a question paper. Most candidates were able to cope with the first 5 marks of the question and interpret the simpler elements of the information provided.

#### **Assignment**

Task 1: candidates scored well in this question. Where marks were not achieved, it was due to formula issues rather than candidates' knowledge and understanding. Some candidates did find the more challenging problem-solving aspects difficult (particularly working out the purchases figure).

Task 3: candidates scored well in this question. The only marks that many candidates did not achieve were the formula and layout marks.

Task 4: this was the best-performing task in the assignment. The only problem candidates seemed to have was not deducting the Human Resources employees when doing re-apportionment.

## **Areas that candidates found demanding**

### **Question paper**

Question 1 Part A(c)(i) to (iii): what looked like a very simple theory question on documents was very poorly answered. Each of the three questions had an average score of under 50%.

Question 1 Part B: this was the poorest performing computational question. It was the first time that new HMRC rules on cash discounts had been assessed in a question paper and, as such, it was decided to isolate this aspect into a small 10-mark question rather than a larger one. Despite this, candidates were not able to properly record the necessary transactions. Even the first 3 marks of the question, which revolved around the transaction of 10 June, was very poorly done as candidates found the 23 June transaction difficult.

Question 3(b): the majority of candidates did not seem to understand the difference between financial and management accounting.

Question 4: of the six questions, this was the poorest performing question overall. Candidates answered the more straightforward elements of (a) well. However, the majority of candidates had difficulty calculating the bonus payment and many candidates also had VAT and profit the wrong way round. Despite (b) to (d) having very straightforward figures, candidates struggled with decision making. Many candidates did not understand that hours was a limiting factor, as well as mixing up 'per unit' and 'per hour' figures when calculating the total contribution.

Question 6(b)(ii) to (d): although a high degree of consequentiality was considered when marking, many candidates struggled to answer the more challenging aspects of the question. In particular, (d) was very poorly answered, with many candidates just doubling the units to get their answer.

### **Assignment**

Task 2: candidates found it demanding to analyse possible differences in the ratios and ways to improve them. It was evident that, while many candidates knew how to calculate ratios, they did not understand how ratios work. Instead of giving potential reasons for the difference, many candidates just indicated that the ratio was higher or lower, or better or worse.

## **Section 3: preparing candidates for future assessment**

### **Question paper**

While acknowledging the new cash discount treatment is a very challenging aspect of a topic that candidates already find difficult (ledgers), more time needs to be spent on this in class. Teachers and lecturers should refer to the additional resource on the National 5 Accounting web page which provides notes and questions to help teachers and lecturers deliver this topic.

Again, candidates need to focus on theory. Many questions are just standard definitions or examples that require short responses. Teachers and lecturers should look to previous past papers to provide candidates with examples of how to answer these questions.

Although the topic of job-costing is fairly well done, more examples of calculating labour bonuses and overtime would help candidates.

Teachers and lecturers should share the advice in this report with candidates when they are preparing for the question paper.

### **Assignment**

Wherever possible, teachers and lecturers should encourage candidates to perform all arithmetic calculations as a formula using cell references.

Many candidates used the worksheets provided to add additional information and perform working calculations. While this is not penalised at present, it may be in future assignments. If it is penalised in future, candidates would have to use longer formulae in cells where they are instructed to enter information.

## Grade boundary and statistical information:

### Statistical information: update on courses

Number of resulted entries in 2018	896
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Number of resulted entries in 2019	898
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### Statistical information: performance of candidates

#### Distribution of course awards including grade boundaries

Distribution of course awards	Percentage	Cumulative %	Number of candidates	Lowest mark
<b>Maximum mark</b>				
<b>A</b>	48.3%	48.3%	434	131
<b>B</b>	20.2%	68.5%	181	111
<b>C</b>	14.9%	83.4%	134	92
<b>D</b>	7.1%	90.5%	64	72
<b>No award</b>	9.5%	-	85	-

## 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.