



Course Report 2018

Subject	Accounting
Level	Advanced Higher

This report provides information on the performance of candidates. 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

Summary of the course assessment

Component 1: question paper

The question paper generally performed as expected. No questions stood out as having been significantly more or less challenging than others in the question paper. 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.

Component 2: project

The project performed as expected. Candidates made a good attempt at both aspects of the project assessment task. The standard of writing was generally good. Almost all candidates adhered to the prescribed word count and candidate guidance.

Section 2: comments on candidate performance

Areas in which candidates performed well

Component 1: question paper

Question 1(a): most candidates produced an accurate contract cost statement using an appropriate layout, demonstrating sound knowledge of this topic area.

Question 1(b): most candidates presented correct, accurate budget information across the three ranges of output.

Question 4(a) to (c): many candidates accurately calculated the relevant net present values, taking the additional information into consideration for year 5 of the project. This continued through the rest of the question, where many candidates accurately used the appropriate IRR formula.

Question 5(a) to (b): on the whole, candidates demonstrated a very good level of understanding of the process by which a partnership is dissolved.

Component 2: project

Annual Reports: Theory

The majority of candidates provided clear details on strengths or weaknesses of the company annual report.

International Accounting Standards: Theory

Candidates attempted this section well. Many candidates judged the level of detail required within this section better than in previous years.

Conclusion

Most candidates drew conclusions that referenced the original quotes in the assessment task.

Areas which candidates found demanding

Component 1: question paper

Question 2(a) to (c): several candidates did not produce an accurate statement of financial position. Some candidates demonstrated a lower level of understanding of the proper layout, while others did not calculate some of the accompanying working notes in (b).

Question 3(a) to (d): several candidates did not produce an accurate profit statement using absorption costing. Knowledge of layout or content was a particular issue, with several candidates using terminology required in marginal costing profit statements.

Component 2: 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, there were several cases of candidates failing 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.

International Accounting Standards: Application

As in previous years, some candidates found applying the rationale underpinning international accounting standards being explored to the company in question's annual report to be challenging. There was a lack of examples of where or how the standard had been interpreted or implemented, resulting in some candidates gaining low marks in this section.

Section 3: advice for the preparation of future candidates

Component 1: question paper

Teachers and lecturers should ensure that candidates are well prepared in all aspects of the syllabus and that they have good recall of all relevant layouts and processes.

Candidates should ensure that they provide clearly annotated workings, where applicable.

Teachers and lecturers should remind candidates that if they present work using a software package such as Excel, that formulae sheets will not be marked. It is, therefore, equally important that any and all working notes are typed in to their work in such a way that they appear in the same printout as their answer.

Component 2: 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 those who opted to look at the report from the point of view of an employee or investor. In this regard, it would be helpful if teachers and lecturers encouraged the candidate 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.

Grade boundary and statistical information:

Statistical information: update on courses

Number of resulted entries in 2017	53
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Number of resulted entries in 2018	57
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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
Maximum mark				
A	54.4%	54.4%	31	140
B	26.3%	80.7%	15	120
C	12.3%	93.0%	7	100
D	3.5%	96.5%	2	90
No award	3.5%	-	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 which allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and 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 Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.

- ◆ The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.

Grade boundaries from exam 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 exams set by centres. If SQA alters a boundary, this does not mean that centres should necessarily alter their boundary in the corresponding practice exam paper.