



External Assessment Report 2015

Subject(s)	Accounting
Level(s)	Advanced Higher

The statistics used in this report are prior to the outcome of any Post Results Services requests

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It 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 question papers and marking instructions for the examination.

Comments on candidate performance

General comments

The overall performance this year was an improvement on 2014 and back to the level which had been achieved in most previous years. Once again, given the small number of candidates involved, it is difficult to draw many conclusions on specific reasons for changes in performance. The percentage of candidates achieving at least C grade was significantly up on last year and the percentage of no awards was significantly reduced. The percentage of candidates achieving an A pass was slightly down on last year.

Theory questions continue to cause candidates difficulty, although the ones in Section A were better done than those in Section B.

The compulsory question in Section A was well done while the one in Section B was considerably less well done.

In Section A more candidates answered Q.2 than Q.3, but the average mark attained in these questions was exactly the same.

In Section B the number of candidates answering Q.7 and Q.8 was similar but the performance in Q.7 was considerably better.

Overall 61% of candidates achieved a pass mark, up from 51% in 2014.

Question 1 (Company Final Accounts)

The average mark for this question was 34/50.

This part of the syllabus has been regularly tested and usually is well done.

In the Profit and Loss Account there is a considerable amount of working required before presenting the final answer in a suitable form. In general the division of expenses into COGS, Distribution and Administration was well done. The Factory Cost of Production was the figure most commonly omitted from Cost of Goods Sold. Debenture interest due was often miscalculated, and Preference Dividend was sometimes doubled up. In general the layouts were very good.

In the Balance Sheet most candidates entered the correct figure for Investments. Sometimes the Finished Goods stocks were the only ones entered. Very few candidates entered the Debentures about to be redeemed in Creditors due within 1 year, and many candidates did not reduce the total of £300,000 for those redeemed during the year. In some cases the reserves were just all added together.

Question 2(Ratio Analysis/interpretation)

The average mark for this question was 26/40.

Most calculations were well done with the Net Profit % and ROCE the main problem areas. Once calculated some candidates then merely described any changes as increases or decreases instead of improvement or deterioration and lost marks because of that. However the explanations for the changes were quite well done which is encouraging.

The Investment ratios were well calculated with the exception of the Market Price of the share.

Question 3 (Incomplete Records)

The average mark for this question was also 26/40.

Candidates found it difficult to do the calculation of depreciation on vehicles for the opening balance sheet, admittedly quite a tricky part of the question. However the detailed calculation of purchases and sales were well done. The depreciation figure in the Profit and Loss Account was often not consequential on previous workings. The Balance Sheet was well done.

Question 4 (Partnership Dissolution/Sources of Finance)

The average mark for this question was 15/30.

Both parts of this question were fairly well done and there were one or two very good answers for part (b).

Question 5 (Accounting Standards/Social Audit)

The average mark for this question was also 15/30, although the majority of marks were gained in part (a). There were not a lot of attempts at this question. The problem in part (b) was candidates describing what a Social Audit is rather than the reasons for carrying one out.

Question 6 (Budgets)

The average mark for this question was 22/50.

This question was poorly done as you can see from the average, which is a disappointing result for an important part of the syllabus. The Sales and Production Budgets were reasonably well done, but the Production Cost and particularly the Material Purchases Budget were very poor. Candidates had difficulty changing from units being produced to the material required to produce the units. Even the Cash Budget which candidates must be very familiar with was poorly answered.

The performance in this question was easily the most disappointing aspect of the exam paper.

Question 7 (Marginal Absorption)

The average mark for this question was 24/40.

The principal part of the question, part (a), was well done with several candidates achieving full marks. The only problems encountered were stocks and the over/under absorption calculations.

In part (b) the common error was failure to adjust the stock at end figure which thus produced errors in variable costs.

Question 8 (Standard costing/Variances)

The average mark for this question was 18/40.

As you can see from the average this was a disappointing result for an important part of the syllabus. The calculation of Budgeted and Actual Profits was well done, but the Standard Cost of Sales was poorly answered. The material and labour variances were well done, but the overhead variances were poor. The completion of the Standard Costing Profit Statement was badly done.

Question 9 (Marginal Costing/Decision Making/Break Even)

The average mark for this question was 6/30.

This was particularly poorly answered with candidates in part (a) mainly just writing what they knew about the decision making techniques listed with no attempt to actually answer the question. Unfortunately, parts (b) and (c) offered no improvement, simply as a result of lack of knowledge.

Question 10 (Process Costing)

The average mark for this question was 12/30.

Part (a) was poorly answered, but part (b) was a lot better where there were some straightforward marks to be picked up.

Statistical information: update on Courses

Number of resulted entries in 2014	37
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Number of resulted entries in 2015	44
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Statistical information: Performance of candidates

Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark - 240				
A	13.6%	13.6%	6	168
B	19.5%	38.6%	11	144
C	22.7%	61.4%	10	120
D	11.4%	72.7%	5	108
No award	27.3%	-	12	-

Following adjustments in 2014, the intention had been to return to notional grade boundaries in 2015. The question paper performed as expected and the grade boundaries were adjusted to reflect this.

General commentary on grade boundaries

- ◆ While SQA aims to set examinations and create marking instructions which will 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.
- ◆ Each year, SQA therefore holds a grade boundary meeting for each subject at each level where it brings 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.
- ◆ An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions, are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in, say, Higher Chemistry, this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related, as they do not contain identical questions.
- ◆ 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.