



Course Report 2017

Subject	Accounting
Level	Higher

The statistics used in this report have been compiled before the completion of any Post Results Services.

This report provides information on the performance of candidates which it is hoped will be useful to teachers, lecturers and assessors in their preparation of candidates for future assessment. 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 assessment documents and marking instructions.

Section 1: Comments on the assessment

Summary of the course assessment

Component 1: Question paper

The question paper was fair, most candidates found it accessible, and it performed as expected.

Feedback suggested that the question regarding profit or loss on manufacture was perhaps a little unclear. This was taken into account when setting the grade boundary.

Component 2: Assignment

The assignment performed as expected. Candidates performed very well. The partnership question was particularly well completed.

Section 2: Comments on candidate performance

Areas in which candidates performed well

Component 1: Question paper

Question 1 (Overhead Analysis): Candidates who knew this topic and had clearly practised using past papers tackled this very well. Most candidates gained the allocation and apportionment marks in part (a) and the reapportionment in part (b) and (c).

Question 2 (Cash Budget): Candidates performed very well in this question — labels and layouts were good and most notes were well handled.

Question 4 (Decision Making): Most candidates calculated the profit in part (a) very well.

Component 2: Assignment

Candidates generally did well in the assignment and seemed to have a good grasp of the topics covered.

Question 1 — Partnership final accounts was very well done in the main.

Question 3 — Investment Appraisal was generally well completed.

Areas which candidates found demanding

Component 1: Question paper

Question 1 — Overhead Analysis

A number of candidates did not head up the Overhead Analysis Statement.

Candidates found the calculation of over/under-absorption of overheads challenging.

The job cost statement was very poorly attempted by nearly all candidates. Although many managed to calculate profit margin, a significant number were still using mark-up.

Candidates struggled with comparing the overheads using the factory wide overhead absorption rate with the departmental absorption rates.

Question 2 — Cash Budget

A number of candidates did not head up the Cash Budget Statement.

Several candidates spent a lot of time on unnecessary pages of workings which gained no additional marks but cost time in the exam.

A number of candidates did not take account of bad debts when calculating credit sales for month 2.

In the theory question many candidates did not answer the question clearly. The question asked for the advantages for an accountant of using a spreadsheet, however, instead candidates gave general advantages of a spreadsheet.

Question 3 — Manufacturing Account

This question was poorly attempted by many candidates.

Advertising and some other selling, admin and distribution costs frequently appeared in the Manufacturing Account. The layout used by some candidates was poor, particularly in the trading section, leading to an incorrect effect of their costs.

Question 4 — Decision Making

Many candidates made no attempt at using the limiting factor at any point in the question. Many candidates calculated the order of priority based on the contribution per unit rather than the contribution per limiting factor.

Most candidates did not even attempt an answer to the theory question.

Component 2: Assignment

Question 1 — Partnership Final Accounts

Many candidates did not understand how to calculate the Finance charges.

A number of candidates entered the Interest on Loan along with or instead of actual Loan in the Statement of Financial Position.

A significant number of candidates did not know what to do with Market Value of Inventory.

There were a number of centres that used the old layouts and terminology. These are now not acceptable. Centres should refer to the guidance on SQA's website regarding terminology.

Many candidates appeared to be unclear about how to deal with the revaluation of the business.

Question 2 — Process Costing

This was the question that candidates found most demanding. There were significant issues with layouts, which disadvantaged candidates. Centres should refer to the layout given in the marking instructions available on SQA's website.

Many candidates took Variable Overheads into consideration when working out Fixed Overheads.

Many candidates did not know how to calculate the Dry Ingredients or value Abnormal Loss.

Many candidates did not know what constituted the Prime Cost.

Question 3 — Investment Appraisal

As in previous years, some candidates did not use the template provided by SQA, which meant they did not gain the appropriate formulae marks.

Section 3: Advice for the preparation of future candidates

Component 1: Question paper

It should be noted that all accounting statements have a heading, and that labels must be included in all statements.

Handwriting should be clear and legible.

Component 2: Assignment

Centres are reminded that there is a template provided for the spreadsheet task, and that candidates are required to use this, and only this, layout.

When using a spreadsheet, the formulae for totalling a list of items must be 'autosum' not each item added individually; this will future-proof the spreadsheet.

To future-proof formulae, candidates must use absolute formulae or named cells, where appropriate.

The Process Costing layout that should be used in Higher Accounting is the one uploaded in the assignment solutions.

Whilst it was pleasing to see that the conditions of assessment for coursework were adhered to in the majority of centres, there were a small number of examples where this may not have been the case. Following feedback from teachers, we have strengthened the conditions of assessment criteria for National 5 subjects and will do so for Higher and Advanced Higher. The criteria are published clearly on our website and in course materials and must be adhered to. SQA takes very seriously its obligation to ensure fairness and equity for all candidates in all qualifications through consistent application of assessment conditions and investigates all cases alerted to us where conditions may not have been met.

Grade Boundary and Statistical information:

Statistical information: update on Courses

Number of resulted entries in 2016	1364
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Number of resulted entries in 2017	1319
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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 -				
A	37.8%	37.8%	498	106
B	23.9%	61.6%	315	91
C	17.1%	78.7%	225	77
D	6.4%	85.1%	84	70
No award	14.9%	-	197	-

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.