



## Course Report 2017

Subject	Accounting
Level	National 5

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

This component performed better than expected and the average overall mark was higher than in previous years.

The majority of candidates were able to gain marks in the less demanding questions, while the more demanding questions were accessible to the more able candidates. In particular, Cash Budgets and Overhead Analysis questions were carried out to a higher than usual standard.

### Component 2: Assignment

Candidates achieved very high marks in this component. The majority of candidates performed better in this component than they did in the question paper, as in previous diets. As was the case in previous years, an adjustment to the grade boundaries was made.

## Section 2: Comments on candidate performance

### Areas in which candidates performed well

#### Component 1: Question paper

Overall, candidates showed good knowledge of the course content. Of the two 25-mark computational questions, question 2 was answered slightly better than question 1. Of the four 10-mark questions, questions 3 and 6 were answered considerably better than questions 4 and 5.

Question 1 (a): Most candidates had a better knowledge of the layouts of both Financial Statements than in previous years. This enabled many candidates to achieve high marks. The number of candidates caught out by extraneous items seemed to be lower than usual. Some candidates did not read the question fully and prepared a full SOFP (although this was not penalised).

Question 2 (a): Most candidates were able to provide a good layout and were able to differentiate between sales units and production units when calculating figures. Some candidates did not show any working but did manage to gain some marks because there was a generous list of alternative answers.

Question 3 (a): The first part of the Overhead Analysis Sheet was completed to a high level, with very few candidates unable to gain the majority of marks on offer.

Question 6: A fairly straightforward question which most candidates scored highly on. There was some difficulty in calculating the cost of bricks and mortar, but most candidates understood this topic and how it should be laid out.

## **Component 2: Assignment**

Of the three tasks, Task 3 and Task 4 were completed to a higher level than Task 1 and Task 2.

Task 2: This was a fairly straightforward Break-Even question. Most candidates were able to complete the table and calculate the break-even point correctly, although some did struggle to calculate the margin of safety.

Task 3: Candidates scored highly and showed understanding of a difficult topic. Candidates who did not use formulae for calculations, or did not understand that some figures from Task 2 had to be adjusted, were unable to access the full range of marks available.

## **Areas which candidates found demanding**

### **Component 1: Question paper**

Question 2 (c): It was clear that most students did not understand the difference between Management and Financial Accounting, with many students putting down financial roles.

Question 3 (b): Many candidates did not subtract the office workers when calculating their re-apportionment. This, however, only cost them 1 mark due to consequentiality.

Question 4: It was evident that many candidates did not know basic double-entry procedures. Marking Instructions were very generous with regards to consequentiality, which meant marks were still accessible to candidates who had, for example, mixed up their debits and credits. Specifically, candidates struggled with the following:

- ◆ treating the sale as a purchase
- ◆ not understanding who was the seller and who was the purchaser
- ◆ entering the acquiring of a non-current asset as a purchase
- ◆ dealing with a bankruptcy and subsequent bad debt

Question 5: This is one of the more difficult topics in the course and the average mark for this question reflected this.

The theory section was also answered poorly with many candidates unable to name the types of error in question.

### **Component 2: Assignment**

Throughout the assignment, many candidates were unable to access formula marks because they either did not link cells from different worksheets, or they performed arithmetical calculations manually.

Task 1: The calculations for Purchases and the Trade Payables Payment Period proved particularly challenging for candidates.

Task 2: Both Parts A and B were fairly poorly carried out across the board. Candidates were much better at the calculation of the ratios. Many candidates did not seem to understand the reasons for possible differences and ways to improve the ratios.

## **Section 3: Advice for the preparation of future candidates**

### **Component 1: Question paper**

On the whole, there was an improvement in the standard of candidates' answers, and the majority of candidates were well prepared in terms of correct layouts and terminology.

Theory answers need to be improved as candidates are still not gaining marks in fairly straightforward questions.

Ledger Account questions need to be practised more to prepare candidates more thoroughly. In particular, when there are documents, candidates need to understand who the selling and purchasing firms are.

Centres should share advice given in this report with candidates before the exam.

### **Component 2: Assignment**

Centres should reinforce that all arithmetic calculations should be performed as a formula using cell references, wherever possible.

Many candidates used the worksheets provided to add additional information and perform 'working' calculations. Whilst this is not now penalised, consideration is being given to instructing candidates not to add any additional information to the worksheets in future assignments. This would mean that candidates may have to use longer formulae in the cells which they are instructed to enter the information into.

## Grade Boundary and Statistical information:

### Statistical information: update on Courses

Number of resulted entries in 2016	895
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Number of resulted entries in 2017	846
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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	48.9%	48.9%	414	112
B	21.7%	70.7%	184	97
C	14.7%	85.3%	124	82
D	3.8%	89.1%	32	74
No award	10.9%	-	92	-

## 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.