



2012 Accounting

Intermediate 2 – Special Instructions

Finalised Marking Instructions

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2012 ACCOUNTING

MARKING CONVENTIONS

CONVENTION	EXPLANATION	MARK(S) ON CANDIDATE PAPER
Extraneous	Item entered which should not be in the answer or section – for example Fixed Assets entered in the Profit and Loss Account or Income and Expenditure Account	-2E
Consequential	If a figure in the question is wrong, any further calculations are awarded marks if correct, as a consequence of using that figure	C
Nomenclature	The details in an account are wrong/missing	-1N
Dates	The date for an entry is wrong/missing	-1D
Complete Reversal	All the ledger entries are made the wrong way round The question is marked as if correct and then the total mark is divided by 2	R eg Total Mark = 12 Divided by 2 Mark awarded = 6
Plus/Minus Rule	If an entry is shown correctly it is awarded the mark (+). If the same entry then appears again in another part of the question the mark is deducted (-) ie no mark is gained and there is no penalty	eg Correct entry £60,000 Sales in the Trading Account Mark awarded 1 (+-) Wrong entry £60,000 Sales also entered in the Profit & Loss Mark deducted -1 (+-)
Penalty	The answers given are more than required (4 given instead of 3) and one of them is wrong. A heading is wrong/missing from a final account. The answer is correct but not given in the format requested ie question asks for an account or a statement	-1P
Arithmetical error	Error made in addition/subtraction etc	-1A/E

General

- 1 Assess pencil figures and working. If the script is predominantly in pencil refer to the Principal Examiner.
- 2 Work which has been deleted gains no marks even if it is correct. Exceptional cases may be drawn to the attention of the Principal Examiner.
- 3 Consequential errors **MUST NOT** be penalised, subject to the marking instructions for each question.
- 4 Mark workings whether or not they are incorporated in the final answer. Deduct a penalty of -2 marks per question for working which is not incorporated in the final answer.
- 5 Incorrect figures, supported by adequate workings – award marks for any correct operations performed.
- 6 Incorrect figures, not supported by adequate workings – lose awards, unless the marking instructions specify otherwise. If arithmetic error – lose 1 mark.
- 7 **EXTRANEIOUS ITEMS:** see instructions for specific questions.

Penalties should be shown beside the figure and encircled, eg -1P -1E -1 +/-

- 8 If right and wrong ie in 2 sections, give value of award where right, deduct value of award where wrong (cross reference +/- against relevant figures).
- 9 Indicate awards given for each item, eg £2,500 1

In essay type questions indicate marks awarded beside the point made by candidate – **NOT IN THE MARGIN.**

Sub-totals for sections should be indicated and encircled, eg (4/6)

Final total should be clearly indicated and easy to check, eg Q1 = 31/40

Question 1

Airlie Bowling Club

		Award Marks Lost	Penalties
(a)	Accumulated Fund 9 marks		
	Heading incorrect or missing – ignore		
	Award 1 mark if Equipment shown as £10,000	1	
	Accept Depreciation as a Liability		
	If all items added together, treat as Assets	2	
	Extraneous eg Receipts and Payments		-2E (Max 4)
(b)	Receipts and Payments Account 13 marks		
	Heading incorrect/omitted		-1P
	Any figure omitted/wrong/wrong section	1 each	
	Closing Balance must have its label to gain award	1	
	Extraneous		-2E (Max 4)
(c) (i)	Profit/Loss on Dance 5 marks		
	Any figure wrong/omitted	1	
	Profit/Loss must have its label to gain award	1	
	Extraneous		-2E (Max 4)
(ii)	Profit/Loss on Raffle 2 marks		
	Any figure wrong/omitted	1	
	Final figure must have its label (Profit/Loss)		-1P
	Extraneous		-2E once

		Award Marks Lost	Penalties
(d)	Income and Expenditure Account 11 marks		
	Heading incorrect/omitted		-1P
	Subscriptions entered as £50,000 or both adjustments wrongly applied	2	
	Subscriptions – only one adjustment applied correctly	1	
	If c (i) and (ii) not done but ALL figures are in the Income and Expenditure Account, tick items and award 1 each for implied profit.		
	If profits calculated in c (i) and (ii), then all items in Inc/Exp Acc, lose profit awards	2	
	Telephone shown as £1,750 or £1,800	1	
	Final figure must be labelled Surplus/Deficit	1	
	Extraneous eg Equipment purchased		-2E (Max 4)

Question 2

Ruthven plc

		Award Marks Lost	Penalties
(a)	(i) Trading, Profit and Loss and Appropriation 18 marks		
	Heading incorrect or missing		-1P once
	Ignore omission of £ sign or 000s added to all figures		
	Items in wrong section lose appropriate award BUT NO PENALTY		
	Items in 2 sections apply +/- rule BUT NO PENALTY		
	EXTRANEIOUS ITEMS i.e. Balance Sheet items BUT		-2P(Max 4)
	Trial Balance figures for Prov for Bad Debts and Prov for Depn are NOT EXTRANEIOUS		
	If both Prov for Bad Debts and Increase in Prov for Bad Debts entered	2	
	If Depreciation charge and Provision for Depreciation are entered	2	
	Any label omitted: Gross Profit Net Profit (before tax) Unappropriated Profit c/f		1P once
	Increase in Prov for Bad Debts not £3 i.e. right/wrong	2	
	All other Expenses are right/wrong including Deb Int and Depn on Vehicles calculations	1 or 2	
	Corporation Tax wrong or not deducted	1	
	P/L Balance b/f not added	1	
	Ord Div not £18 i.e. right/wrong	2	
	Any other figure wrong/omitted/wrong effect	1 or 2	
	Any figure calculated or adjusted correctly for Depn, Provision for Bad Debts, Debenture Interest, Ordinary Dividend, Accruals or Prepayments, but in wrong sections, gains calculation/adjustment award.	1	

		Award Marks Lost	Penalties
(ii)	<p>Balance Sheet 16 marks</p> <p>Heading wrong/omitted NOTE do not penalise if penalty applied in (i)</p> <p>Items in 2 sections – apply +/- rule</p> <p>Extraneous items (i.e. Revenue items)</p> <p>Vehicles – Depn wrong/not consequential</p> <p>Do not accept Provision for Bad Debts as a Current Liability</p> <p>Debtors shown as £225 i.e. Prov for Bad Debts not deducted</p> <p>WATCH FOR CONSEQUENTIALITY IN THE FOLLOWING FIGURES</p> <p>Provision for Bad Debts Ord Div due Deb Int due Unappropriated Profit c/f</p> <p>All other figures are right/wrong i.e. if figure wrong/omitted/wrong effect</p> <p>BUT Ordinary Shares must state either the number or value of shares and be first in order</p> <p>Debentures must be last item or subtracted from Net Assets</p>	<p>2</p> <p>1</p> <p>1</p> <p>1 each</p> <p>1</p> <p>1</p>	<p>-1P</p> <p>-2E (Max 4)</p>
(b)	<p>Award 1 mark for stating each ratio and correct area and 2 marks for each correct formula</p> <p>If unclear or incorrect area, lose name award but gain consequential formula award</p> <p>Any ratio which is a % must have the x 100 or time period etc</p>	<p>1 each</p> <p>1 each</p>	

Question 3

Ironside & Sons

	Award Marks Lost	Penalties
<p>PART A - Manufacturing Account 21 marks</p> <p>Main Heading wrong or omitted</p> <p>Items in wrong sections lose award</p> <p>Any figure calculated or adjusted correctly for Deprn, Accruals or Prepayments, but in wrong sections, gains calculation/adjustment award.</p> <p><u>Cost of Raw Materials Consumed</u></p> <p>Any item wrong/omitted/wrong effect</p> <p>Cost of RM consumed not labelled</p> <p><u>Prime Cost</u></p> <p>Manufacturing Wages award 1 mark for £100 or £90</p> <p>Prime cost not labelled</p> <p>If items subtracted from Cost RM Consumed lose Prime Cost award</p> <p><u>Factory Overheads</u></p> <p>Rent – 39 – 3 marks; 48 – 2 marks 39.5 – 2 marks</p> <p>Any other figure less than 58</p> <p>Admin Expenses not £8 but any other figure less than 32</p> <p>Depreciation on Machinery not £18 or Provision added to £18</p> <p>WIP (start) and WIP (end) wrong/omitted/wrong effect</p> <p>Factory Overheads subtracted</p> <p>but if it says ADD and then subtracts – treat as arithmetic slip</p> <p>Factory Cost of Finished Goods wrong/not consequential/not labelled – lose award</p> <p>Extraneous items i.e. Profit and Loss or Balance Sheet items, Rent portion in Direct Costs</p> <p>If Sales in Manufacturing Account and used</p>	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1 or 2</p> <p>1</p> <p>2</p> <p>1 each</p> <p>1</p>	<p>-1P</p> <p>-2P</p> <p>-1A</p> <p>-2E (Max 4)</p> <p>-2P</p>

		Award Marks Lost	Penalties
	PART B		
(a)	<p>Bank Account 6 marks</p> <p>If not in account form, award marks but apply penalty</p> <p>Award marks as per solution ie item must be in correct column to gain award</p> <p>BUT</p> <p>Item 4 S O'Malley £37 in debit column – award 1 mark</p> <p>Complete reversal (excluding opening balance) – divide total marks by 2</p> <p>If items 2 and 3 are included in Part (a) only– ignore</p> <p>If items 2 and 3 are in (b) as well apply +/- rule</p> <p>No closing balance or clearly wrong balance</p>	<p>1</p> <p>2 or 3</p>	<p>-2P</p> <p>-1P</p>
(b)	<p>Bank Reconciliation Statement 7 marks</p> <p>Heading wrong/omitted/no date</p> <p>Opening and Closing Balances must both be present to gain the mark awarded to the labels– do not accept “Balance” on its own</p> <p>Extraneous items all of 1 and 4 – ignore – but if included in both statements apply +/- rule</p> <p>If done as an account lose balance label award and apply penalty for no heading</p> <p>If done as one Statement ie (a) and (b) together, award marks where correct</p>	<p>1</p>	<p>-1P</p> <p>-1P</p>
(c)	<p>Mark as per solution</p>		

Question 4

Glengate Textiles

		Award Marks Lost	Penalties
	PART A		
(a)	Spinning Process Account 12 marks Award marks as per solution but cost per kg is consequential If done as a list only award marks to inputs	6	
(b)	Weaving Process		
(i)	Right/wrong – if wrong	2	
(ii)	Right/wrong – if wrong	2	
(iii)	Not 60% of candidate's answer to (i) plus candidate's answer to (i)	2	
	Not candidate's answer to above plus half of that	2	
	Final answer not shown	1	
	PART B Jay Jazeera		
(a)	(i) Mark as per solution. Any part missing lose award	1 each	
	(ii) Not candidate's answer to (i) multiplied by 2	1	
(b)	Mark as per solution. Any part wrong/omitted – lose award BUT if Waiting Staff Wages 9,500, award 1 and Cleaners 6,000, award 1 Food for Breakfasts will be consequential on candidate's answer to (a) (ii)	1 or 2 1 each	
(c)	Not candidate's answer to (b) divided by candidate's answer to (a) (i)	2	
(d)	Not candidate's answer to (c) times 175%	2	

Question 5

Bikes UK

		Award Marks Lost	Penalties
(a)	(i) Right or wrong – mark as per solution		
	(ii) Right, wrong or consequential		
	(iii) Contribution per model not candidate's answer to (ii) divided by Machine Hours per model	2 each	
	(iv) Contribution per model not candidate's answer to (ii) multiplied by 2,000 units	2 each	
	Total contribution or profit not labelled	1 or 2	
(b)	Order of priority wrong/not consequential	1	
(c)	If opening or closing balances missing/incorrect – must show final Total Balance	1	
	Award marks as solution – right/wrong		
	Issues must contain Quantity and CPU or Quantity and Value to gain awards		
	Any error in Receipts treat as arithmetical error		-1P each
	If no values on Issues but final balance correct – full award		
(d)	Mark as per solution – 2 advantages for 2 marks each 1 disadvantage for 2 marks if not fully explained 1 mark may be awarded	1	

Question 6

Altamount Engineering

		Award Marks Lost	Penalties
	PART A		
(a)	(i) Variable Cost – any figure wrong/omitted lose award Any extra figures	1 each	-1P each
	(ii) Contribution – Not SP less candidate’s answer to (i)	2	
	(iii) BEP in Units – Not Fixed Costs divided by candidate’s answer to (ii) BEP value – not candidate’s answer multiplied by Selling Price	2 2	
	(iv) Profit from sales level of 5,000 – not 5,000 less candidate’s answer to (iii) Not multiplied by candidate’s answer to (ii)	2 1	
	(v) Mark as per solution but contribution will be consequential on candidate’s answer to a (ii)		
(b)	(i) New contribution not SP less new VC	1 or 2	
	(ii) New BEP not new FC divided by candidate’s answer to (b) (i)	1 each	
	PART B		
	Heath & Thatcher plc		
(a)	Mark as solution – right/wrong – any one entry wrong lose one mark each up to a maximum of 2		
(b)	Right/wrong/consequential		
(c)	Mark as per solution		

[END OF MARKING INSTRUCTIONS]