



2013 Accounting

Advanced Higher – Special Instructions

Finalised Marking Instructions

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2013 Accounting

Marking Conventions

CONVENTION	EXPLANATION	MARK(S) ON CANDIDATE PAPER
Extraneous	Items entered which should not be in the answer	-1E
Consequential	If a figure in a 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 of 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 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 Balance Sheet – 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 the question asks for an account or a statement and a list is given	-1P

General

1. Assess pencil figures and working. If the script is predominantly in pencil refer to the Principal Examiner.
2. A maximum of 10% of marks gained on any individual question may be deducted for untidy work and poor style. This penalty should only be applied in exceptional circumstances.
3. Work which has been deleted gains no marks, even if correct. Exceptional cases may be drawn to the attention of the Principal Examiner.
4. Consequential errors **MUST NOT** be penalised, subject to the marking instructions for each question.
5. Mark workings whether or not they are incorporated into the final answer. Deduct a penalty of -1 mark per question for working which is not incorporated in the final answer.
6. Incorrect figures, supported by adequate workings – award marks for any correct operations performed.
7. Incorrect figures, not supported by adequate workings – lose awards, unless the marking instructions specify otherwise. If arithmetic error lose 1 mark.
8. **EXTRANEIOUS ITEMS – see instructions for specific questions**
9. If right and wrong – give value of award where figure is correct, deduct value of award where figure is wrong (cross reference +/- against relevant figures).
10. Indicate awards given for each item next to the appropriate figure eg £1,500¹.

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

Sub-totals for each section should be indicated and encircled, eg (5/6)

Final totals should be clearly indicated and easy to check eg Q1 = 42/50

	Award marks lost	Penalties applied
QUESTION 1 – WILLIAM FERGUSON		
SECTION A		
(a) (i) Calculation of Gross profit percentage:		
Gross profit calculated not £174,000	1	
Wrong formula used	2	
(ii) Calculation of Sales for 6 months – Year 2		
Opening or closing debtors balances wrong	1	
Cash received omitted/wrong	1	
Cash refund wrong/omitted	1	
(iii) Calculation of Purchases 6 months – Year 2		
Opening or closing creditors balances wrong omitted	1	
Cash paid wrong/omitted	1	
Extraneous items		-1(max-2)
(b) Trading and Profit and Loss Account and Balance Sheet		
Heading wrong/omitted		-1 once
Sales not £200,700 or consequential on (a) (ii)	1	
Opening Stock wrong/omitted	1	
Purchases not £81,400 or consequential on (a) (iii)	1	
Closing stock consequential on COGS and Purchases	2	
COGS not Sales less GP	1	
Gross Profit percentage not 65% or consequential	2	
Advertising wrong, omitted, not 50% of £9,000	2	
Wages increase wrong/omitted	1	
Charge for 6 months not 50% of new yearly amount	2	
General Expenses charge for period not 50-% of £27,000	2	
Machinery Depreciation		
Aggregate depreciation Year 1 wrong, omitted	1	
Aggregate depreciation 6 months wrong, omitted	2	
Vehicle Depreciation		
Depreciation Yr 1 wrong/omitted	1	
Depreciation for 6 months wrong/omitted	1	
Extraneous items in Trading and Profit and Loss A/c		-2 each (max -4)

	Award marks lost	Penalties applied
QUESTION 1 (continued)		
Balance Sheet entries		
Machinery – cost wrong		-1
Machinery Aggregate Depreciation wrong/not conseq	2	
Vehicles – cost wrong		-1
Vehicle Aggregate Depreciation wrong/not conseq	2	
Stock – wrong, omitted/not conseq	1	
Debtors wrong, omitted	1	
Bank calculation for Balance Sheet		
Opening balance wrong/omitted/not treated correctly	2	
Received from customers wrong, omitted	1	
Total expenses paid wrong, or any expense figure omitted	1	
Advertising prepaid, wrong, not consequential	1	
Wages accrued, wrong/omitted, not consequential	1	
General expenses, wrong/omitted, not consequential	1	
Creditors – wrong/omitted	1	
Opening capital wrong/omitted	3	
Net Profit wrong/omitted, not consequential	1	
Drawings wrong/omitted	1	
Extraneous items		-2 each (max -4)
(c) Value of Insurance Claim		
Fixed assets total wrong/omitted, not consequential	1	
Stock wrong/omitted not consequential	1	
Profits lost not same as calculated Net Profit in Trading and profit and loss account	2	

	Award marks lost	Penalties applied
QUESTION 2 – ANDERSON PLC AND WATSON PLC		
PART A – 20 MARKS		
Mark as per solution applying the following:		
One mark is allocated to the calculation of each firm's ratio required for each comment. Wrong or omitted	1 each	
Wrong formula lose awards	2	
Two marks are allocated to comments on performance, One mark for agreeing or disagreeing and one mark for reason.	1	
Reasons are consequential on agreement or disagreement	1	
PART B		
(a) CALCULATION OF RATIOS – 8 MARKS		
For each ratio if wrong formula used lose awards for part of the question		
(i) Dividend Yield – One mark allocated for calculation of each ratio, wrong or omitted	1	
(ii) Dividend Cover – Preference dividend for Bowlers wrong or omitted	1	
(iii) Earnings Per Share – Bowlers consequential on Preference dividend calculated in (a) (ii)		
(iv) Price/earning Ratio is consequential on answer to ratio (iii)		
(b) (i) ANALYSIS OF RATIOS – 8 MARKS		
Mark as per solution		
Two marks maximum for comments on each ratio. Comments consequential on ratios calculated		
Comments wrong, not given	1 each	
Recommendation as to which company the investor should purchase shares not given.		-1 pen
(ii) Capital gearing ratio – wrong formula	2	
(iii) Comment wrong/omitted, not consequential	2	

	Award marks lost	Penalties applied
QUESTION 3 (continued)		
(b) Profit and Loss Account		
Heading wrong/omitted		-1 once
Sales wrong omitted	1	
Cost of goods sold/Distribution Expenses/Administration Expenses, wrong, omitted, not consequential		-1 once
Opening Profit wrong, not consequential not labelled	1	
Interest received wrong, omitted, after interest paid	1	
Interest paid wrong, omitted	1	
Profit from ordinary activities not labelled		-1
Corporation tax wrong, omitted	1	
Dividends not £50,000 + £30,000	1 +1	
Last year's balance added - ignore		
Extraneous items		-2 once
Balance Sheet		
Land wrong/omitted		-1
Equip/Veh cost wrong	1	
Jan 1 Depreciation total wrong	1	
Current Equipment Depreciation wrong, omitted	1	
Current Vehicle Depreciation wrong, omitted	1	
Investment wrong or omitted	1	
Stock and or Debtors any wrong or omitted	1	
Bank not £720 less		
Dividend payments of £130	1	
Prepayments wrong or omitted	1	
Creditors, VAT or Audit Fee any wrong or omitted	1	
Corporation Tax wrong, omitted	1	
Debenture Interest wrong, omitted not 40	1	
Less paid	1	
Dividends entered in B/S		-1 once
Debentures wrong or omitted	1	
Preference Shares and or Ordinary Shares wrong, omitted, not first item	1	
Share Premium wrong, omitted	1	
Profit and Loss Account wrong, omitted	1	
Extraneous items		-2 once

	Award marks lost	Penalties applied
<p>QUESTION 4</p> <p>Theory Questions</p> <p>Mark as per solution</p> <p>(a) Accept other correct answers for awards</p> <p>(b) One mark is allocated to the name of each section, any wrong or omitted ie total available = 7</p> <p>Remaining 17 marks are awarded information included in the correct section</p>	1	

<p>QUESTION 5</p> <p>Mark as per solution</p> <p>(i)–(v) Maximum of 6 marks are allocated to each section</p>		
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	Award marks lost	Penalties applied
SECTION B		
QUESTION 6 – Ring Ltd		
(a) (i) Total Overhead wrong Direct Labour Hours wrong Factory Wide Rate consequential on Total Overhead and Direct Labour Hours – wrong/not cons	1 2	1 mark
(ii) Consequential on (a)(i)		
Answers in (b) may be consequential upon candidates' answers to (a) and (b)		
Allow for rounding errors in (b)		
(b) (i) Machining Labour Hours wrong/not cons Machining Machine Hours wrong/not cons Assembly Labour hours wrong/not cons Total Units Produced wrong Overhead Absorption Rates wrong/not cons	2 3 2 2 1 each	-1 once
(ii) Overhead Charge per Department: One/two product wrong/not cons Final Overhead Charge Unit omitted	1 or 2	
(c) (i) Number of Production Runs: One/two wrong Three/four wrong Total omitted Number of Requisitions wrong Number of Batches Sold wrong Absorption Rates wrong/not cons	1 2 1 2 2 each (8 max)	1 mark
(ii) Overhead Absorbed per Activity, for each activity: One/two product costs wrong/not cons Three/four product costs wrong/not cons	1 2 (8 max)	
(iii) Overhead Charge per Unit; Each product wrong/not cons	1 (4 max)	

	Award marks lost	Penalties applied
QUESTION 7 – Wagner plc		
(a) (i) Contribution per Unit: One/two wrong Three/four wrong Weighting: One/two wrong Three/four wrong Weighted Average Contribution per Unit: Each one wrong/not cons	1 2 1 2 1 (4 max)	
(ii) Total Contribution wrong/not cons on (i) Fixed Costs not £160,000 Profit omitted	2 1	1 mark
(iii) Break Even Point wrong/not cons on (i) Weighting not applied per product or not cons on (i)	2 2	
(iv) Days to Break Even wrong/not cons on (iii)	2	
(v) Profit Before Tax wrong Fixed Cost £160,000 not added Sales Required wrong/not cons on (i) or Contribution Required Weighting not applied per product or not cons on (i) Sales Value wrong/not cons on units in (v)	2 1 1 2 2	
(b) (i) Product E at £90: Contribution per Labour Hour wrong/not cons on (a)(i) Total Contribution wrong/not cons on Cont per Lab Hour Fixed Costs not £250,000 Product E at £120: Contribution per Labour Hour any one wrong/not cons on (a)(i) Total Contribution wrong/not cons on Cont per Lab Hour Fixed Costs not £250,000 or omitted Effect on profits wrong/not cons	1 each (5 max) 2 1 1 2 1 each (2 max)	 -1
(ii) Advice wrong/not cons on (b)(i) If labour cost added to £50 cost lose contribution award And then mark consequentially	2	

	Award marks lost	Penalties applied
<p>Question 8</p> <p>Part A – Fire Ltd</p> <p>(a) Standard Cost of Actual Sales; Each element of cost wrong/omitted</p> <p>Total Cost omitted/not cons</p> <p>(b) (i)-(vi) Variance calculation wrong/omitted Label (Favourable/Adverse) wrong/omitted/not cons</p> <p>(vii)-(x) Variance calculation wrong/omitted Label (Favourable/Adverse) wrong/omitted/not cons</p> <p>Wrong formula = 0 marks</p>	<p>1 (4 max)</p> <p>1 each (6 max) 1 each (6 max) 2 each (8 max) 1 each (4 max)</p>	<p>1 mark</p>
<p>Part B – Ice plc</p> <p>Mark as per solution each figure wrong/omitted Budgeted profit wrong/omitted</p> <p>But if a wrong activity level is used (other than 6,000 units) accept for half marks</p>	<p>1 or 2 each</p> <p>6 marks</p>	<p>1 mark</p>

	Award marks lost	Penalties applied
QUESTION 9		
(a) Award 1 mark per point as per suggested answers and for other relevant points where appropriate		
(b) Award 2 marks per point as per suggested answers and for other relevant points where appropriate		

Question 10		
(a) Award 2 marks per point as per suggested answers and for other relevant points where appropriate		
(b) Award 1 mark for the name and a short description of each method to a maximum of 4 methods For each method described award 1 mark each for advantages to a maximum of 2 marks per method and 1 mark each for disadvantages to a maximum of 2 marks per method The maximum for each method is 5 marks		
(c) Award 2 marks per point for each point correctly made		

[END OF MARKING INSTRUCTIONS]