



2013 Accounting

Higher – Special Instructions

Finalised Marking Instructions

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2013 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
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 Debtors in Current Assets Mark awarded 1 (+-) £60,000 Debtors repeated under Current Liabilities 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 statement	-1P
Arithmetical error	Error made in addition/subtraction etc	-1A/E
General	The answers given are more than required (4 given instead of 3) and one of them is wrong	-1P

General

- 1 Assess pencil figures and working. If the script is predominantly in pencil, mark and DO NOT refer to the Principal Assessor unless a whole centre completes the exam in pencil.
- 2 Work which has been deleted gains no marks even if it is correct. However if question is not redone, or no alternative question attempted, mark deleted work.
- 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 -1 mark 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.

Deduct in appropriate section of question – not at end from total.

Penalties should be shown beside the figure and encircled, eg $\textcircled{-1P}$ $\textcircled{-2E}$ $\textcircled{-1 +/-}$

Penalties must be deducted in the appropriate section of the question and not at the end from the final total for that question.

- 8 If right and wrong – 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 £1,500 1
- 10 In essay type questions indicate marks awarded beside the point made by candidate – NOT IN THE MARGIN.
- 11 Sub-totals for sections should be indicated and encircled, eg $\textcircled{4/6}$
- 12 Final total should be clearly indicated and easy to check, eg Q1 = 45/50.
- 13 If 2 choice questions are attempted – mark both, even if one is scored out, and accept the question with the higher mark.

Question 1

	Award Marks Lost	Penalties
<p>GENERAL INSTRUCTIONS</p> <p>There are no heading/label awards, if heading wrong/omitted eg “as at” in Trading and Profit and Loss Account and ‘for year ending’ in Balance Sheet – APPLY penalty</p> <p>Mark as per solution, all items right/wrong unless otherwise stated</p> <p><u>TRADING AND PROFIT AND LOSS AND APPROPRIATION</u> <u>A/C = 27 MARKS</u></p> <p>EXTRANEIOUS ITEMS – any BALANCE SHEET items</p> <p>BUT – Trial Balance figures for Provision for Bad Debts and Depreciation are not extraneous – lose award for change in Bad Debt Provision or Annual Depreciation charge as appropriate</p> <p>TRADING ACCOUNT</p> <p>If Gross Profit label wrong/omitted – APPLY PENALTY</p> <p>PROFIT AND LOSS ACCOUNT</p> <p>If Net Profit (before tax) label wrong or omitted – APPLY PENALTY</p> <p>Accept Operating Profit as label</p> <p>APPROPRIATION ACCOUNT</p> <p>Final balance is consequential but must have reasonable label – “Balance” or “Surplus” is NOT acceptable – accept Retained Profit, Unappropriated Profit or Balance Carried Forward – otherwise apply PENALTY</p> <p><u>BALANCE SHEET</u></p> <p>EXTRANEIOUS ITEMS – ANY TRADING AND PROFIT AND LOSS ACCOUNT ITEMS – APPLY PENALTY BUT Interim Dividend is not extraneous – apply +/- rule</p> <p>FIXED ASSETS</p> <p>ACCEPT as consequential any consequentially correct depreciation figure for Office Equipment and Motor Vehicles</p>		<p>-1P each</p> <p>-2 each item – (Max 6)</p> <p>-1P</p> <p>-1P</p> <p>-1P</p> <p>-2E each item (Max -6)</p>

	Award Marks Lost	Penalties
<p>ACCEPT Investments anywhere in Assets BUT Dividend due must be a Current Asset only, if correct and combined with Investments in Current Assets (70+3) = 73 = 2 marks</p> <p>If Investments in Fixed Assets – 73 – 1 mark only</p> <p>Accept Goodwill anywhere above Current Assets</p> <p>Goodwill, Debtors, Share Premium – right or wrong - adjustments must be attached to gain award</p> <p>CURRENT ASSETS</p> <p>Stock is consequential on Trading Account figure</p> <p>CURRENT LIABILITIES</p> <p>Corporation Tax and Final Proposed Dividend figures will be consequential on P/L figures</p> <p>If Interim Dividend included in Current Liabilities treat as +/- in the P/L ac</p> <p>Bank overdraft right/wrong – don't accept the 1 detached or as rent due</p> <p>If Bank Overdraft 7 and Rent due or prepaid entered apply +/- rule</p> <p>FINANCED BY</p> <p>Must start with Share Capital If mixed order eg Reserve-Capital-Reserve</p> <p>Share Capital – either the value of each share or the number of shares must be given</p> <p>Debentures must be the last item if not – lose award BUT ACCEPT Debentures deducted from Net Assets</p>	<p>1</p> <p>1 or 2</p> <p>2</p> <p>1</p>	<p>-1P once</p>

Question 2

Part A

		Award Marks Lost	Penalties
	<p>WATCH CONSEQUENTIALITY THROUGHOUT THIS QUESTION</p> <p>MARK AS PER SOLUTION</p> <p>(a) (i) Cost of Sales is consequential on Gross Profit</p> <p>(ii) Opening Stock is consequential on Average Stock calculation</p> <p>(iii) Purchases is consequential on Cost of Sales and Stock calculations</p> <p>(iv) ROCE is consequential on Expenses and Net Profit calculation</p> <p>(v) Debtors Collection period in weeks/months</p> <p>(vi) Ratio is right or wrong – however, accept 2 or 2 times</p> <p>(b) (i) Cost of Sales is consequential on Average Stock calculation</p> <p>(ii) Gross Profit is consequential on Sales and Cost of Sales calculation</p> <p>(iii) Purchases is consequential on Average Stock and Cost of Sales calculation</p> <p>(iv) Expenses are consequential on Sales calculation</p> <p>(v) Net Profit is consequential on Gross Profit and Expenses calculation</p> <p>(c) Gross Profit is consequential on candidate's calculation in b (ii)</p>	<p>1</p>	

Question 2

Part B

	Award Marks Lost	Penalties
MARK AS PER SOLUTION		
If Error (3) included		-1P
Original Net Profit may be implied – label not necessary		
Amended Net Profit needs label otherwise	1	
Answer not in the form of a statement ie numbers only – no need for heading but need error numbers or description (in any order), the increase or decrease must be shown or implied in the calculation		-2P

Question 3

		Award Marks Lost	Penalties
(a)	<p>ACCUMULATED FUND</p> <p>Accept the correct calculated fund in any layout.</p> <p>Any of the bracketed figures missing results in the loss of the award mark for that set of figures.</p> <p>Extraneous items</p>		<p>-2E each Max -4</p>
(b)	<p>(i) BAR TRADING ACCOUNT</p> <p>Heading wrong</p> <p>Do not accept creditors adjustments detached</p> <p>Purchases 9 on its own with no workings</p> <p>Extraneous items – Income and Expenditure or Balance Sheet item, however ignore vending machine calculations included in the Bar Trading Account</p> <p>Label for final loss/deficit missing</p> <p>(ii) INCOME AND EXPENDITURE ACCOUNT</p> <p>If heading wrong/omitted eg “as at” – APPLY penalty</p> <p>EXTRANEIOUS ITEMS – Any Balance Sheet items eg equipment, loan repayment</p> <p>Subs starting with 60 with any additional adjustment ie 1 or 2</p> <p>If candidate starts with 63 and then makes 4 adjustments award 1 to (63 – 1 – 2)</p> <p>Any other unsupported figure for subscriptions</p> <p>Loss on bar consequential on (b) (i)</p> <p>Any bar items repeated ignore in I&E and apply a penalty and lose loss on bar award</p> <p>If no Bar Trading done then ignore bar items in I&E</p> <p>Any bar item missing in Bar Trading and entered in I&E only - ignore</p>	<p>2 or 3</p> <p>3</p> <p>1</p>	<p>-1P</p> <p>-2 each (max -4)</p> <p>-1P</p> <p>-1P</p> <p>-2E each (Max -6)</p> <p>-1P each (max 2)</p> <p>- 3P</p>

		Award Marks Lost	Penalties
(c)	Profit on Dance/Raffle/Vending Machines right/wrong– if detached tick the income item (and first expenditure item if more than one) and award the mark to final expenditure item	1	
	Life membership fees right/wrong (no extraneous penalty for Life Membership fees)		
	Depreciation 1.4 – award 1 mark no other answer accepted unless 1.4 is rounded and workings shown	2	
	Surplus not shown or labelled apply penalty		-1P
	BANK BALANCE		
	Right/Wrong		

Question 4

		Award Marks Lost	Penalties
	Mark as per solution – accept any other correct points not covered by solution		

Question 5

		Award Marks Lost	Penalties
	Mark as per solution – accept any other correct points not covered by solution		

Question 6

Part A

		Award Marks Lost	Penalties
	WATCH CONSEQUENTIALITY THROUGHOUT THIS QUESTION		
(a)	(iii) Consequential on (i) and (ii).		
(b)	Answer is right or wrong		
(c)	New machine hours is consequential on (b)		
	Contribution per machine hour is consequential on a (iii)		
	Order of priority is consequential on contribution per machine hour/unit		
	Hours/units allotted are consequential on increase in capacity and contribution per machine hour/unit		
	Total contribution for each product is consequential on units/hours allotted and contribution per unit/machine hour		
	Fixed Costs are right or wrong		
	No final profit figure shown and labelled	-1P	
(d)	New contribution per machine hour for R is consequential on a (iii)		
	Contribution per machine hour must be calculated for each product unless already shown in (c) – if already shown in (c) allocate the contribution per machine hours marks to the Total Contribution figures		
	Fixed costs omitted/wrong	-1P	
	No final profit figure shown and labelled	-1P	
(e)	Answer is consequential on (c) and (d) Advice must match comparison between (c) and (d)		

PART B

		Award Marks Lost	Penalties
	WATCH CONSEQUENTIALITY THROUGHOUT THIS QUESTION		
(a)	(i) Abnormal loss is consequential on calculation of normal loss	3	
	(ii) Right/wrong/consequential - total kg used to divide are consequential on normal loss in (i) if not		
(b)	Scrap value is consequential on normal loss kg in (a) (i) Denominator consequential on figure used in (a) (ii) Reduction is consequential on answer to (a) (ii) – must include reduction or decrease in the final answer to gain award		

Question 7

Part A

		Award Marks Lost	Penalties
	WATCH CONSEQUENTIALITY THROUGHOUT THIS QUESTION		
(a)	Opening Stock is consequential on Closing Stock calculation If opening stocks added and closing stocks subtracted	6	
(b)	Heading wrong or omitted (must include months) If no attempt to distinguish Receipts from Payments award marks to Receipts only	12	-1P once
	If Receipts and Payments not separated into sections but identified as Receipts/Payments and treated correctly ACCEPT but apply penalty.		-3P
	If Receipts and Payments listed correctly but no attempt at calculating the closing balances.		-3P
	Materials, Labour and Variable Overheads are consequential on the Production figures		
	If Bad Debts appear in Payments lose credit sales awards	4	
	If profit on van entered lose proceeds on sale of van – if both appear apply +/- rule. Do not accept the book value and the profit separately.	2	
	If depreciation is entered in addition to Fixed Costs lose Fixed Cost award	1	
	If depreciation entered on its own ignore	1	
	Closing Balance omitted/clearly not consequential		-1P

Part B

		Award Marks Lost	Penalties
(a) and (b)	Mark as per solution		
(c)	If opening balance omitted		-1P
	Any receipt missing/wrong		-1P each
	Final balance must be totalled for the award		
	Must show correct stock record card – receipts, issues and balance with quantity and either unit cost or value if not		-2P

Question 8

		Award Marks Lost	Penalties
(a)	(i) Any wrong basis of apportionment chosen lose line award	2	
	Any arithmetic/incorrect error	1 max 2 per line	
	However Indirect materials – any wrong lose award	1	
	Extraneous eg Direct Wages, Labour Hours		-2P once
	(ii) Consequential on totals in (a)(i)		
	Final departmental totals not shown		-1P
(b)	Consequential on (a)(ii)		
	No £ signs		-1P once
	If per labour/per machine hour ignore		
(c)	Ignore heading		
	Overhead consequential on absorption rate in (b)		
	Costs/profit with no labels or incorrect label		-2P once
	Profit will be consequential on total cost		
	Final selling price not labelled		-1P

Question 9

		Award Marks Lost	Penalties
	Mark as per solution – accept any other correct points not covered by solution		

Question 10

		Award Marks Lost	Penalties
	Mark as per solution – accept any other correct points not covered by solution		

[END OF MARKING INSTRUCTIONS]