



**2013 Accounting**

**Intermediate 2 – 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
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

	Award Marks Lost	Penalties
<p><b>PART A</b></p> <p><b>Calculation of Accumulated Fund (4 marks)</b></p> <p>Additional items ie extraneous</p> <p>If no answer, check Balance Sheet – implied 4</p> <p><b>PART B</b></p> <p><b>Calculation of Closing Bank Balance (3 marks)</b></p> <p>If no answer, check Balance Sheet – implied 3</p> <p>Extraneous items</p> <p><b>PART C</b></p> <p><b>Profit or Loss on Raffle (3 marks)</b></p> <p>Heading wrong/omitted – ignore</p> <p>Extraneous items ie Balance Sheet items/Opening Balance</p> <p>No Profit or Loss label</p> <p>No answer, check Income and Expenditure Account may be implied 3</p> <p><b>PART D</b></p> <p><b>Income and Expenditure Account (19 marks)</b></p> <p>Heading wrong/omitted</p> <p><b>Income</b></p> <p>Subscriptions entered as 5300</p> <p>Subscriptions entered as 5800/4800</p> <p>Do not accept Subs owing/prepaid detached</p> <p>Profit on Competitions omitted/wrong – however accept figures detached for 1 mark each</p> <p>Profit on Raffle omitted/not consequential</p> <p>If individual items for Profit on Raffle repeated, as well as the Profit figure, lose Profit award and apply a penalty of -1</p>	<p>2</p> <p>1</p> <p>2</p> <p>1</p>	<p>-2E (max -4)</p> <p>-2E once</p> <p>-2E once</p> <p>-1P</p> <p>-1P</p> <p>-1P</p>

		<b>Award Marks Lost</b>	<b>Penalties</b>
	If individual items for Profit on Raffle repeated, and no Profit figure entered, ignore but lose Profit award	<b>1</b>	
	If individual figures for Profit on Raffle entered only in I/E Ac and no prior calculation done in (c) give awards but lose Profit award	<b>1</b>	
	<b>Expenditure</b>		
	Depreciation on Equipment entered as 500	<b>1</b>	
	Depreciation on Equipment – any other wrong figure	<b>2</b>	
	Electricity/General Expenses carry 2 marks – if omitted	<b>2 each</b>	
	If included but prepayment or accrual omitted wrong effect	<b>1 each</b>	
	Surplus omitted/not labelled	<b>1</b>	
	Extraneous items		<b>-2E (max 4)</b>
	<b>PART E</b>		
	<b>Balance Sheet – 11 marks</b>		
	Heading wrong/omitted		<b>-1P</b>
	<u>Fixed Assets</u>		
	Equipment depreciation is consequential on I&E Ac - if wrong/omitted/not consequential	<b>1</b>	
	Accumulated Fund not consequential on (a), omitted/wrong	<b>1</b>	
	Surplus of Income – not consequential	<b>1</b>	
	Extraneous items ie I/E items		<b>-2E (max 4)</b>

**Question 2**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>PART A</b>		
<b>(a)</b>	<b>Manufacturing Account – 17 marks</b>		
	There is no award for Main Heading BUT wrong (ie as at or omitted) apply Penalty		<b>-1P</b>
	If Manufacturing Account includes Sales and adjusted with any Manufacturing Account figure		<b>-3P</b>
	Cost of Raw Materials Consumed not labelled		<b>-1P</b>
	Prime Cost/Factory Cost of Production not labelled	<b>1 each</b>	
	Any Factory Overhead entered in Prime Cost give award but lose Prime Cost award	<b>1</b>	
	If any Prime Cost figure entered in Factory Overheads lose award	<b>1</b>	
	If Direct Wages subtracted from Cost of Raw Materials Consumed lose Prime Cost award	<b>1</b>	
	Accept Insurance £100 for one mark	<b>2</b>	
	£80 or £75 for 2 marks	<b>1</b>	
	Salaries 90	<b>1</b>	
	Factory Overheads subtracted BUT If it says ADD and then subtracted treat as arithmetical slip		<b>-2P</b>
	Extraneous ie Balance Sheet items		<b>-2E each Max -4</b>

**Question 2 (continued)**

		<b>Award Marks Lost</b>	<b>Penalties</b>
<b>(b)</b>	<b>Trading, Profit and Loss and Appropriation Account – 17 marks</b>		
	There is no award for Main Heading BUT wrong (ie as at or omitted) apply Penalty but ignore if penalty applied in (a)		<b>-1P</b>
	Extraneous ie Balance Sheet items		<b>-2E each Max -4</b>
	Cost of Sales added to Sales treat as arithmetical slip		<b>-1A</b>
	Expenses added to Gross Profit treat as arithmetical slip		<b>-1A</b>
	Gross Profit not labelled	<b>1</b>	
	Net Profit not labelled	<b>1</b>	
	Unappropriated Profit not labelled	<b>1</b>	
	Factory Cost of Production will be consequential on (a)		
	Ignore Purchases in place of Factory Cost of Production – do not apply +/- rule unless Factory Cost of Production also entered	<b>1</b>	
	Salaries will be consequential on (a)		
	Insurance will be consequential on (a)		
	Accept Profit and Loss Account Balance as final label		
	<b>PART B</b>		
	Work in Progress – no mention of value but mention of part made	<b>1</b>	

**Question 3**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>PART A</b>		
<b>(a)</b>	<b>Appropriation Account – 10 marks</b> Heading wrong/omitted EXTRANEIOUS ITEMS ie Capital, Drawings Interest on Capital correct but added Share of Profit not 3/5 and 2/5 respectively of any Residual Profit	<b>1 each</b>  <b>2 each</b>	<b>-1P</b>  <b>-2E once</b>
<b>(b)</b>	<b>Current Account Paterson – 6 marks</b> Total reversal of entries – award half the total candidate’s marks Extraneous - Capital Interest on Capital and Share of Profit will be consequential on answers to (a) If done as a list ie not in account form, award marks and apply penalty	<b>Max 3</b>	<b>-2E once</b>  <b>-2P</b>
<b>(c)</b>	<b>Financed By Section – 4 marks</b> Current Account Balance for Paterson will be consequential on candidate’s answer to (b) Final total omitted Extraneous items		<b>-1P</b> <b>-2E</b> <b>Max -4</b>
	<b>PART B</b> All entries are worth 1 mark but Account Name and amount must both be correct to gain award In Error 5 if Discounts shown only as £100 award 1 mark <b>All items are right/wrong</b> apart from Electricity/Bank £1,000 gains 1 mark each	<b>1 or 2</b>  <b>1 or 2</b>  <b>2</b>	



Question 4

**FORMARTINE VALLEY PRODUCERS – DECISION MAKING 40 MARKS**

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>WATCH CONSEQUENTIALITY THROUGHOUT</b>		
<b>(a)</b>	<b>Machine hour calculation (5 marks)</b>		
<b>(b)</b>	<b>Contribution/contribution limiting factor (24 marks)</b>		
<b>(c)</b>	<b>Order of Production (1 mark)</b> Order right or wrong (watch consequentiality).	<b>1</b>	
<b>(d)</b>	<b>Units to Maximise Profits (4 marks)</b> Right or wrong - consequential on (b) and (c)	<b>1 or 2 each</b>	
<b>(e)</b>	<b>Contribution per product/total contribution/total profit (6 marks)</b> No profit shown/labelled		<b>-1P</b>

**Question 5**

		<b>Award Marks Lost</b>	<b>Penalties</b>
<b>(a)</b>	<b>PART A</b>		
<b>(i)/(ii)</b>	For each item missing	<b>1</b>	
<b>(b)</b>	<b>Total Operating Cost</b>		
	Reasonable heading not shown		<b>-1P</b>
	Wages from (ii) not entered		<b>-1P</b>
	Electricity and Shampoo Costs will be consequential on candidate's answer to (i)	<b>2 each</b>	
	Hairdressing Equipment entered lose depreciation award	<b>2</b>	
	Final total not shown		<b>-1P</b>

		<b>Award Marks Lost</b>	<b>Penalties</b>
	<b>PART B</b>		
	<b>WATCH CONSEQUENTIALITY THROUGHOUT THIS QUESTION</b>		
	<b>Mark as per solution</b>		
<b>(a)</b>	Contribution is consequential on Variable cost calculation		
<b>(b)</b>	Break-even point is consequential on (a)		
<b>(c)</b>	Profit or Loss is consequential on (a) and (b)		
	Answer must state profit or loss, if not apply penalty		<b>-1P</b>
<b>(d)</b>	Answer is consequential on (a)		

