



2013 Accounting and Finance

**Standard Grade Credit –
Special Instructions**

Finalised Marking Instructions

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2013 Standard Grade – Accounting and Finance

Credit Paper

Special Instructions

ACCEPT consequential errors
LOSE award for any items omitted

Question 1

(a) Mark as per solution

Columns 'Quantity to Cost' – any item wrong/missing -1

Any sub-total wrong/missing – lose award for Amount Due -1

Trade Discount wrong (watch for consequentiality) -1

Trade Discount added – lose award for Amount Due -1

If NGV shown correctly but no TD shown – award one mark for TD calculation. Mark TD – 1 mark -1

If CD shown on invoice – penalty -1 max

If VAT taken as 17.5% - penalty -1

VAT deducted – lose award for Amount Due -1

VAT alternative solutions – see separate sheet

If Delivery deducted -1

If total of invoice is £250 or more, delivery mark should be awarded although no entry may appear. Mark Del – 1 mark

If delivery is included in VAT calc, lose award for delivery -1

(b) Mark as per solution

(c) Mark as per solution

(d) Mark as per solution

Award Marks Lost	Penalties
-1	
-1	
-1	
-1	
-1	
	-1 max
	-1
-1	
-1	

Question 2

Incorrect/no headings
 (Apply to the Appropriation Account and Balance Sheet **once only**)

If individual entries shown in both Appropriation Account and Balance Sheet, apply +/- rule.

Do not include shares in +/- rule

(a) **Appropriation Account**

Mark as per solution
 Alternative solutions:

Preference Dividend 8 (3)
 If Int Div also shown - penalty

Ordinary Shares 200 (0)
 Preference Shares 80 (0)

Ordinary Dividend 200 (0)
 Preference Dividend 80 (0)

Ordinary Shares 8 (2)
 Preference Shares 6 (2)

Ordinary Shares 200 (-1P)
 Ordinary Dividend 8 (2)
 Preference Shares 80 (-1P)
 Preference Dividend 6 (2)

Any other figure for Proposed Preference Dividend -1
 Any other figure for Proposed Ordinary Dividend -1

Any figure wrong or missing – lose award

Extraneous items in Appropriation Account – anything else except shares -1 once

No label for Net Profit – lose award for amount -1

Unappropriated profit for 2012 deducted – lose award -1
 Unappropriated profit may be added after appropriations - accept

Appropriations added – lose award for P&L Balance 2013 -1

Arithmetic error in sub-totals – lose award for P&L Balance 2013 -1

No label for P&L Balance 2013 – lose award for amount -1

Award Marks Lost	Penalties
	-1 once
	-1
	-1 once
-1	
-1	
-1	
-1	
-1	

Question 2 (continued)

(a) **Balance Sheet**

Mark as per solution
Accept consequential errors

Equipment shown at correct NBV only – accept for 3 marks
Equipment shown as 256 – accept 2 marks

Sub-totals for Current Assets or Current Liabilities wrong – lose award for Working Capital

If Debtors £34 – accept for 2 marks
If Debtors £46 – 1 mark

If PBD shown immediately after Debtors, and it is clear from the sub-total that they have been correctly deducted from Debtors – accept for 2 marks

If PBD detached from Debtors – lose award

Proposed Dividend £14 – accept for 2 marks
Proposed Dividend £16 – accept for 1 mark

Current Liabilities added to Current Assets – lose award for Working Capital

No Working Capital label – accept

If Working Capital added/subtracted wrongly to Fixed Assets – lose award for the Balance Sheet totals

Ignore Authorised Capital if shown separately

Sub-total for Share Capital wrong – lose award for Balance Sheet totals

P&L Balance may be consequential

P&L Balance subtracted from Capital – lose award for Balance Sheet totals

Debentures subtracted from sub-total for Capital and Reserves – lose award for Balance Sheet totals

(b) Mark as per solution

(c) Mark as per solution

(d) Mark as per solution

Award Marks Lost	Penalties
<p>Equipment shown as 256 – accept 2 marks</p> <p>Sub-totals for Current Assets or Current Liabilities wrong – lose award for Working Capital</p> <p>If Debtors £46 – 1 mark</p> <p>If PBD shown immediately after Debtors, and it is clear from the sub-total that they have been correctly deducted from Debtors – accept for 2 marks</p> <p>If PBD detached from Debtors – lose award</p> <p>Proposed Dividend £16 – accept for 1 mark</p> <p>Current Liabilities added to Current Assets – lose award for Working Capital</p> <p>If Working Capital added/subtracted wrongly to Fixed Assets – lose award for the Balance Sheet totals</p> <p>Sub-total for Share Capital wrong – lose award for Balance Sheet totals</p> <p>P&L Balance subtracted from Capital – lose award for Balance Sheet totals</p> <p>Debentures subtracted from sub-total for Capital and Reserves – lose award for Balance Sheet totals</p>	<p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p> <p>-1</p>

Question 3

If VAT taken as 17.5% - accept. See alternative sheet.

(a) Mark as per solution

Wrong dates/omission of dates

-1 max

Nomenclature wrong/missing

-1 max

Any reasonable nomenclature – accept

Do not penalise nomenclature if consequential on transaction

Extra entries

-1 each transaction

Mark nameless accounts or wrongly named accounts if identifiable by its figures

-1 max per account

If accounts completely reversed – award half marks (max 9 marks)

Ignore balances other than Opening Balances

If Opening Balances for R Cook, Bank Overdraft and Office Equipment not entered in debit or credit column check subsequent balance before awarding one mark for opening balance

R Cook Account

Mark as per solution

5 March Purchases £280 VAT £56 – 1 mark

Bank Account

Mark as per solution

Accept Bank Overdraft Account

Accept separate accounts for Bank/Bank Overdraft

12 March Repairs £150 VAT £30 – 1 mark

Office Equipment Account

Mark as per solution

If **12 March** debited to Equipment – lose award in Repairs Account only

If **21 March** treated as Purchases – lose award in Purchases Account only

28 March – accept entries in Purchases Returns, VAT and DB Office Supplies ONLY if 21 March treated as Purchases

Accept entries in 21/3 and 28/3 with a printer account.

Award Marks Lost	Penalties

Question 3 (continued)

(a) **Purchases Account**
Mark as per solution

VAT Account
Mark as per solution

Repairs Account
Mark as per solution

DB Office Supplies
Mark as per solution

21 March Equipment £960 VAT £192 – 1 mark
28 March Equipment £320 VAT £64 – 1 mark

(b) Mark as per solution

(c) Mark as per solution

Award Marks Lost	Penalties

Question 4

One of the constituent parts of each calculation must be correct to gain consequential mark for answer

(a) Mark as per solution

Fixed Costs	£400	(2)
	£135	(1)
	£265	(1)
	£130	(1)

Any other FC figures – 0 marks unless working shown then award marks accordingly

(b) Mark as per solution

Answer could be consequential on (a)

(c) Mark as per solution

Answer could be consequential on (a)

(d) Mark as per solution

(e) (i) Mark as per solution

(ii) Mark as per solution

Award Marks Lost	Penalties

Question 5

(a) Mark as per solution. No reversal

Ignore dates and balance column

Accept any reasonable nomenclature – otherwise penalty

NOTE – mark awarded for Suspense Account name

If Trial Balance totals entered in Suspense Account

If opening balance on CR side

If opening balance wrong

If opening balance without Debit or Credit entry, check subsequent balance before awarding mark for opening balance

Sales amount wrong

Sales amount on DR side

Rent Received shown as £340 on DR side

Rent Received shown as £680 on CR side

Rent Received shown as £340 on CR side

Purchases amount wrong

Purchases amount on DR side

Drawings amount wrong

Drawings amount on DR side

(b) Mark as per solution

(c) Mark as per solution

Award Marks Lost	Penalties
	-1
	-1
-1	
-1	
-1	
-1	
-1	
-2	
-1	
-1	
-1	
-1	

Question 6

(a) Mark as per solution

Correct and no working – award full marks

Wrong answer and no working

One of the parts of the ratio must be correct to gain consequential mark for answer for both years

WC Ratio must be shown as X : 1

WC Ratio reversed – accept ie

2012 – 1:0.68 or 1:0.7

2013 – 1:0.52 or 1:0.5

Return on Capital figures inverted

(b) Answers may be consequential on (a)

(i) Mark as per solution

(ii) Mark as per solution

(c) Mark as per solution

Award Marks Lost	Penalties
<p>Lose award</p> <p>-4</p>	

[END OF MARKING INSTRUCTIONS]