



National
Qualifications

Accounting Assignment Marking Instructions

General Marking Principles for National 5 Accounting Assignment

This information is provided to help you understand the general principles you must apply when marking candidate responses in this assignment. These principles must be read in conjunction with the detailed marking instructions, which identify the key features required in candidate responses.

Marks for each candidate response must always be assigned in line with these General Marking Principles and the Detailed Marking Instructions for this assessment.

Marking should always be positive. This means that, for each candidate response, marks are accumulated for the demonstration of relevant skills, knowledge and understanding: they are not deducted from a maximum on the basis of errors or omissions.

Candidates will be awarded marks for showing workings and demonstrating that accounting processes have been followed, even when incorrect figures are presented.

Treatment of errors

Guidance on the treatment of errors such as extraneous items, arithmetic errors and consequential errors will be provided in the Detailed Marking Instructions.

Printouts

Candidates are clearly directed, within the instructions, as to the printing requirements. Where a printout is missing, markers should award as many marks as possible on an alternative printout.

Layouts

Layouts in the Detailed Marking Instructions are provided for illustrative purposes only. Candidates should not be penalised for using appropriate alternative layouts.

Consequential errors

Consequential errors will be taken account of and candidates will receive credit for following the correct accounting processes and spreadsheet formula.

Truncated formulae

If formulae truncated rendering it not fit for purpose, then formula mark cannot be awarded. UPJ - (e.g. missing an end bracket is still fit for purpose).

Specific Marking Instructions

Question 1

- Markers should consequentially mark each transaction. This may mean, in some instances, that a correct answer in a ledger account may in fact be consequentially wrong. For example, for the transaction on 20 Jan, a candidate may have:

Bank Acc - £320 Dr
Errogie Fruit Farm Acc - £320 Dr *This would get 0 marks*

In this instance, even although the Errogie Fruit Farm Acc entry is correct as per solution, it would be consequentially wrong as we would expect to see a double entry. If the candidate had reversed the entry as follows, one mark would be awarded:

Bank Acc - £320 Dr (X)
Errogie Fruit Farm Acc - £320 Cr (1) CE

NOTE: this applies to straightforward two entry transactions. Where VAT is involved, see separate sheet.

- An award is based on the entire line being correct (date + nomenclature). The first 2 times a candidate has a correct entry but incorrect date/nomenclature, they will not gain the award. Thereafter, ignore incorrect date/nomenclature.
- The marker should indicate a no award due to incorrect nomenclature by writing an “N” or “D” beside the correct entry.
- If an entry is incorrect - ignore date/nomenclature. Any incorrect date/nomenclature on a wrong entry does not count towards the candidate’s nomenclature allowance.
- Nomenclature can be consequential on the transaction (e.g. watch Bank Acc entry of 16 January for Stationery and Vat).
- If there are any extra entries as part of a transaction, apply the +/- rule. Taking the transaction on 23 Jan as an example, if a candidate enters £550 Dr in the Equipment Acc and also enters £550 Dr in the Purchases Acc (with the Vat and Creditor Accounts being correct), they would only be awarded 2 marks over the transaction.
- Markers should write ” +/-“ beside BOTH entries.

Question 1 (cont)

LEDGER OF GLEN SPRING						Marks
Date	Details	Dr	Cr	Bal		
PURCHASES ACCOUNT						
10-Jan	Balance	14,126.00		14,126.00		0
SALES REVENUE ACCOUNT						
10-Jan	Balance		21,225.00	21,225.00		0
28-Jan	Claire's Coffee Shop		180.00	21,405.00	(Cr)	1
BANK ACCOUNT						
10-Jan	Balance	1,280.00		1,280.00		0
16-Jan	Stationery and VAT		288.00	992.00	(Dr)	1
20-Jan	Errogie Fruit Farm		320.00	672.00	(Dr)	1
CLAIRE'S COFFEE SHOP ACC						
10-Jan	Balance	324.60		324.60		0
12-Jan	Sales Rev Return & VAT		48.60	276.00	(Dr)	1
28-Jan	Sales Revenue and VAT	212.40		488.40	(Dr)	1
ERROGIE FRUIT FARM ACC						
10-Jan	Balance		360.00	360.00		0
20-Jan	Bank	320.00		40.00	(Cr)	1
20-Jan	Discount Received	40.00		0.00		1
PURCHASES RETURNS ACC						
10-Jan	Balance			0		0
SALES REVENUE RETURNS ACC						
10-Jan	Balance			0		0
12-Jan	Claire's Coffee Shop	40.50		40.50	(Dr)	1
EQUIPMENT ACCOUNT						
10-Jan	Balance	4,820.00		4,820.00		0
23-Jan	Pittodrie Electronics	550.00		5,370.00	(Dr)	1
VAT ACCOUNT						
10-Jan	Balance		272.00	272.00		0
12-Jan	Claire's Coffee Shop	8.10		263.90	(Cr)	1
16-Jan	Bank	48.00		215.90	(Cr)	2 (one entry, one calc)
23-Jan	Pittodrie Electronics	110.00		105.90	(Cr)	1
28-Jan	Claire's Coffee Shop		32.40	138.30	(Cr)	2 (one entry, one calc)
DISCOUNT RECEIVED ACCOUNT						
10-Jan	Balance		0	0		0
20-Jan	Errogie Fruit Farm		40.00	40.00	(Cr)	1
DISCOUNT ALLOWED ACCOUNT						
10-Jan	Balance			0		
STATIONERY ACCOUNT						
10-Jan	Balance	315.00		315.00		0
16-Jan	Bank	240.00		555.00	(Dr)	1
PITTODRIE ELECTRONICS ACC						
23-Jan	Equipment and VAT		660.00	660.00	(Cr)	1

Question 1 (cont)

Sales Revenue Account (See P9 - Scenario 8)

If Sales Return entry on 12 Jan is treated as Sales and £40.50 Cr entered into this account, no award for entry in Sales Revenue Account but treat remaining entries as consequential for 2 marks (this would result in £8.10 Cr in VAT Account and £48.60 Dr in Claire's Coffee Shop Acc). This same principle applies if treated as Purchases or Purchase Returns.

Bank Account

If no VAT is applied by candidate then nomenclature on 16 Jan is just Stationery.

The Stationery and VAT entry on 16 Jan may be split into 2 separate entries - accept.

Claire's Coffee Shop Account

The Sales Rev Returns and VAT entry on 12 Jan may be split into 2 separate entries - accept.

Entry on 28 January is consequential on the VAT figure calculated in the VAT account and the entry in the Sales Revenue Account. These both must add up to the figure in Claire's Coffee Shop Account.

- If candidate has a figure of £216 - award 1 mark providing they have £36 Cr in Vat Account and £180 Cr in Sales Account - **3 marks overall for transaction.**
- If candidate has a figure of £194.40 - award 1 mark providing they have £32.40 Cr in Vat Account and £162 Cr in Sales Account - **3 marks overall for transaction.**
- If candidate has a figure of £198 - award 1 mark providing they have £36 Cr in Vat Account and £162 Cr in Sales Account - **2 marks overall for transaction.**

WATCH - a correct figure of £212.40 could be consequentially incorrect if candidate has £32.40 Cr in Vat Account and £162 Cr in Sales Account.

Errogie Fruit Farm Account

If the entries on 20 January are combined for one entry of £360, the nomenclature **MUST** say Bank and Discount/Discount Received for 2 marks. If candidates put the £40 Cr in the Discount Allowed Account (with correct nomenclature), nomenclature in Errogie Ac will be consequential.

If there is only one entry on 20 Jan of £360 with the nomenclature "Bank" and no indication of a discount being applied anywhere in the accounts - 0 marks in Errogie and 1 consequential mark for £360 Cr entry in Bank Acc.

If there is only one entry on 20 Jan £360 with the nomenclature "Bank" and the candidates have applied the discount in the ledgers then the entry is correct and the nomenclature is incorrect and treated in accordance with the nomenclature special instruction.

Discount Allowed Account

If there is any entry as a result of transaction on 28 Jan - Ignore (e.g. £18).

Stationery Account

If VAT is ignored in this transaction, accept entry of £288 Dr for 1 mark (with corresponding £288 Cr in Bank Acc awarded 1 mark).

Accept entry of £234.40 Dr for 1 mark if VAT has been calculated as £57.60 in the VAT account.

Question 1 Alternative Solution

12 Jan

Dr

Sales Rev Returns Acc

Claire's Coffee Shop - £40.50 (1)

Cr

Claire's Coffee Shop Acc

Sales Rev Returns & VAT- £48.60
(1)

VAT Acc

Claire's Coffee Shop - £8.10 (1)

16 Jan

Dr

VAT Acc

Bank - £48.00 (2)

Cr

Bank Acc

Stationery & VAT - £288.00 (1)

Stationery Acc

Bank - £240.00 (1)

20 Jan

Dr

Errogie Fruit Farm Acc

Bank - £320.00 (1)

Discount Received - £40.00 (1)

Cr

Bank Acc

Errogie Fruit Farm - £320.00 (1)

Discount Received Acc

Errogie Fruit Farm - £40.00 (1)

23 Jan

Dr

Equipment Acc

Pittodrie Electronics - £550.00 (1)

Cr

Pittodrie Electronics Acc

Equipment & VAT - £660.00 (1)

VAT Acc

Pittodrie Electronics - £110.00 (1)

28 Jan

Dr

Claire's Coffee Shop Acc

Sales Revenue & VAT- £212.40 (1)

Cr

Sales Revenue Acc

Claire's Coffee Shop - £180.00 (1)

VAT Acc

Claire's Coffee Shop - £32.40 (2)

Question 1 - Examples of Candidate Responses

Taking the transaction on 12 Jan as an example:

Scenario 1 – Reversal of ALL entries

Dr	Cr
Claire's Coffee Shop Acc Sales Revenue - £48.60 (1) CE	Sales Rev Returns Acc Claire's Coffee Shop - £40.50 (X)
	VAT Acc Claire's Coffee Shop - £8.10 (1) CE

2 marks

Scenario 2 – All entries on Credit side

Dr	Cr
	Sales Rev Returns Acc Claire's Coffee Shop - £40.50 (X)
	VAT Acc Claire's Coffee Shop - £8.10 (X)
	Claire's Coffee Shop Acc Sales Revenue - £48.60 (1)

1 mark

Scenario 3 – All entries on Debit side

Dr	Cr
Sales Rev Returns Acc Claire Coffee Shop - £40.50 (1)	
VAT Acc Claire's Coffee Shop - £8.10 (1)	
Claire's Coffee Shop Acc Sales Revenue - £48.60 (X)	

2 marks

Scenario 4

Dr	Cr
<u>VAT Acc</u>	<u>Sales Rev Returns Acc</u>
Claire's Coffee Shop - £8.10 (1)	Claire's Coffee Shop - £40.50 (X)
	<u>Claire's Coffee Shop Acc</u>
	Sales Revenue - £48.60 (1)

2 marks

Scenario 5

Dr	Cr
<u>Sales Rev Returns Acc</u>	<u>VAT Acc</u>
Claire Coffee Shop - £40.50 (1)	Claire's Coffee Shop - £8.10 (X)
<u>Claire's Coffee Shop Acc</u>	
Sales Revenue - £48.60 (X)	

1 marks

Question 1 - Examples of Candidate Responses (cont)

Scenario 6

Dr	Cr
<u>Sales Rev Returns Acc</u>	<u>VAT Acc</u>
Claire's Coffee Shop - £40.50 (1)	Claire's Coffee Shop - £8.10 (X)
	<u>Claire's Coffee Shop Acc</u>
	Sales Revenue - £48.60 (1)

2 marks

Scenario 7

Dr	Cr
<u>VAT Acc</u>	<u>Sales Rev Returns Acc</u>
Claire's Coffee Shop - £8.10 (1)	Claire Coffee Shop - £40.50 (X)
<u>Claire's Coffee Shop Acc</u>	
Sales Revenue - £48.60 (X)	

1 mark

Scenario 8 - Treated as Sales not Sales Returns

Dr	Cr
<u>Claire's Coffee Shop Acc</u>	<u>Sales Rev Acc</u>
Sales Revenue - £48.60 (1) CE	Claire's Coffee Shop - £40.50 (X)
	<u>VAT Acc</u>
	Claire's Coffee Shop - £8.10 (1) CE

2 marks

(Same principle applies if treated as Purchases or Purchase Returns)

Question 2 - Value View

PRODUCTION AND PROFIT DATA

MARCH AND APRIL			MAY			<i>Marks</i>	
<i>(The data below is for each month)</i>							
Available labour hours (per month)	2,000		Available labour hours		2,400	1	
Fixed costs (per month)	£10,500			PACK A	PACK B		
			Maximum sales demand (units)	2,640	3,850	1	
	PACK A	PACK B	Contribution per unit	£4.00	£4.00	1	
Selling price	£9.00	£12.00	Contribution per labour hour	£16.00	£8.00	1	
Variable costs:			Labour hours required to meet max sales demand	660	1,925	1	
Materials	£2.00	£2.50	Labour hours to be used to maximise profits	660	1,740	1	
Labour	£2.50	£4.50	Units of each pack that can be produced	2,640	3,480	1	
Variable overheads	£0.50	£1.00					
Labour hours per unit	0.25	0.5	Total contribution	£10,560.00	£13,920.00	£24,480.00	1
Maximum sales demand (units)	2,400	3,500	Fixed costs			£11,025.00	1
Labour hours used	600	1,400	Total maximum profit			£13,455.00	1
Units produced	2,400	2,800					

Question 2 - Formula View

	G	H	I	J	K	L
3	MAY					
4						
5	Available labour hours			=D6*1.2	F1	
6						
7		PACK A		PACK B		
8	Maximum sales demand (units)	=B16*1.1	F1	=D16*1.1	F1	
9						
10	Contribution per unit	=B10-SUM(B12:B14)	F2	=D10-SUM(D12:D14)	F2	
11						
12	Contribution per labour hour	=H10/B15		=J10/D15		
13						
14	Labour hours required to meet max sales demand	=H8*B15		=J8*D15		
15						
16	Labour hours to be used to maximise profits	=H14		=J5-H16		
17						
18	Units of each pack that can be produced	=H16/B15		=J16/D15		
19						
20	Total contribution	=H18*H10		=J18*J10		=H20+J20
21						
22	Fixed costs					=D7*1.05
23						
24	Total profit					=L20-L22

F1

F3 = All other formulae

Question 2 - Specific Instructions

Value View

- In the first line - Available labour hours, the candidate may correctly split the labour hours available across the Packs at this point ie 660 and 1,740. Accept and award mark.
- The labour hours to be used to maximise profits is consequential on the ranking of the Contribution per Labour hour.
- Total contribution and total maximum profit are consequential.

Formula View

- The only figures that are permissible are those to calculate percentages, everything else must be a cell reference.
- If formulae truncated rendering it not fit for purpose, then formula mark cannot be awarded.
- If spreadsheet is incomplete - award marks based on the formulae that ARE there.

Question 3 - Value View

ESTIMATED DATA (PACK C)

	APRIL	MAY	JUNE
Production units	6,000	7,500	8,600
UNIT DATA	£		
Selling price	10.00		
Labour	3.50		
Materials	2.30		
Variable overheads	0.75		

CASH BUDGET FOR GLEN SPRING
MAY AND JUNE

	MAY	JUNE
	£	£
OPENING BALANCE	3,000.00	10,902.50
RECEIPTS		
Cash sales	37,500.00 (1)	43,000.00 (1)
Credit sales	27,000.00 (2)	33,750.00 (1)
Sale of machine		800.00 (1)
	<u>67,500.00</u>	<u>88,452.50</u>
PAYMENTS		
Materials	13,800.00	17,250.00 (1) for line
Labour	26,250.00	30,100.00 (1) for line
Variable overheads	5,625.00	6,450.00 (1) for line
Fixed costs	9,922.50	9,922.50 (1) for line
New machine	1,000.00 (1)	2,000.00 (2)
	<u>56,597.50</u>	<u>65,722.50</u>
CLOSING BALANCE	<u><u>10,902.50</u></u>	<u><u>22,730.00</u></u> (1) For correct June Closing Balance

Question 3 - Formula View

	A	B	C	D	E	F	G	H	
1	ESTIMATED DATA (PACK C)					CASH BUDGET FOR GLEN SPRING			
2						MAY AND JUNE			
3		APRIL	MAY	JUNE					
4	Production units	6,000	7,500	8,600			MAY	JUNE	
5							£	£	
6	UNIT DATA	£				OPENING BALANCE	3000	=G22	
7	Selling price	10.00							
8	Labour	3.50				RECEIPTS			
9	Materials	2.30				Cash sales	= $(C4*50%)*B7$	= $(D4*50%)*B7$	F1
10	Variable overheads	0.75				Credit sales	= $(B4*50%)*(B7*90%)$	= $(C4*50%)*(B7*90%)$	F2
11						Sale of machine		=B20-B21	
12							=SUM(G9:G11)+G6	=SUM(H9:H11)+H6	
13									
14	Non Current (Fixed) Asset Data					PAYMENTS			
15						Materials	=B4*B9	=C4*B9	
16	<u>New Packaging Machine</u>					Labour	=C4*B8	=D4*B8	
17	Cost	£5,000				Variable overheads	=C4*B10	=D4*B10	
18						Fixed costs	=Profit!L22*0.9	=G18	F3
19	<u>Old Packaging Machine</u>					New machine	=B17*0.2	=(B17-G19)/2	F4
20	Cost	£2,800					=SUM(G15:G19)	=SUM(H15:H19)	
21	Prov for Depreciation	£2,000							
22						CLOSING BALANCE	=G12-G20	=H12-H20	

F5 = All other formulae

Question 3 - Specific Instructions

Value View

- In order to award certain marks, candidate formulae should be looked at to determine how an answer was arrived at.
- June Cash Sales may be consequential on the method used to calculate May's Cash Sales.
- May Credit Sales is worth 2 marks. If figure incorrect, markers will need to look at formula. One error - award 1 mark, two errors - no award.
- June Credit Sales may be consequential on the method used to calculate May's Credit Sales.
- June's New Machine payment is worth 2 marks. If figure incorrect, markers will need to look at formula. One error - award 1 mark, two errors - no award.
- Closing Balance is consequential. When checking, be aware that some candidates may add Opening Balance to receipts and others may not.
- An incorrect figure may be wrong due to an incorrect composition of a formula. For example, June's New Machine figure may be £4,500. This is because the candidate will not have used brackets in their formula, therefore it is a lack of spreadsheet knowledge rather than a lack of accounting knowledge. In these instances award mark(s) in Value View and lose award in Formula View.

Formula View

- Apart from the Opening Balance, the only figures that are permissible are those to calculate percentages and the division of 2 in June's New Machine. Everything else must be a cell reference.
- Some candidates have used working underneath the estimated data and linked their Cash Budget to this. This is acceptable as long as cell references have been used.
- Fixed Costs MUST link to the Profit worksheet.
- If formulae truncated rendering it not fit for purpose, then formula mark cannot be awarded.
- If spreadsheet is incomplete - award marks based on the formulae that ARE there.

[END OF MARKING INSTRUCTIONS]