

2018 Accounting Assignment

National 5

Finalised Marking Instructions

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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.

Printouts

Candidates are clearly directed, within the instructions, as to the printing requirements. If the formula printout is missing, no formula marks can be awarded. If the value view is missing, markers should use the formula view printout to ascertain and award value view marks.

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.

Formulae Printouts

Absolute cell references are not required.

Named cells are acceptable.

Where a formula is truncated, no mark each time.

If formulae marks are grouped and the candidate has not made an attempt at some component part - still award the formulae mark providing the formulae that have been attempted are correct.

Formatting

Due to formatting, candidate answers may be rounded to 0 decimal places - Accept.

Extra Cells Added

Candidates may have inserted data in extra cells in order to help them construct formulae. This is acceptable providing the extra data is using cell references. If the extra data has not used cell references, then do not award formula marks EACH TIME. Markers should pay close attention as to how formulae are constructed if the candidate has inserted extra cells.

Detailed marking instructions Task 1

SELECTED LEDGER ACCOUNTS OF TREATS FROM THE TROSSACHS						Marks
Date	Details	Dr	Cr	Bal		
PURCHASES ACCOUNT						
01-Feb	Balance	4,200.00		4,200.00	(Dr)	0
05-Feb	Fowlis Fruits	688.75		4,888.75	(Dr)	(1)
SALES REVENUE ACCOUNT						
01-Feb	Balance		6,300.00	6,300.00	(Cr)	0
15-Feb	Balgove Larder		120.00	6,420.00	(Cr)	(1)
FOWLIS FRUITS ACCOUNT						
01-Feb	Balance		456.00	456.00	(Cr)	0
05-Feb	Purchases and VAT		826.50	1,282.50	(Cr)	(1)
VAT ACCOUNT						
01-Feb	Balance		346.00	346.00	(Cr)	0
05-Feb	Fowlis Fruits	137.75		208.25	(Cr)	(1)
12-Feb	Bank (Cash Equivalents)	72.00		136.25	(Cr)	(2) (1 calc, 1 entry)
15-Feb	Balgove Larder		24.00	160.25	(Cr)	(1)
19-Feb	Computers 4 U	130.00		30.25	(Cr)	(1)
BANK (CASH EQUIVALENTS) ACCOUNT						
01-Feb	Balance	4,772.00		4,772.00	(Dr)	0
12-Feb	Stationery and VAT		432.00	4,340.00	(Dr)	(1)
27-Feb	Balgove Larder	60.00		4,400.00	(Dr)	(1)
STATIONERY ACCOUNT						
01-Feb	Balance	120.00		120.00	(Dr)	0
12-Feb	Bank (Cash Equivalents)	360.00		480.00	(Dr)	(1)
BALGOVE LARDER ACCOUNT						
01-Feb	Balance	56.00		56.00	(Dr)	0
15-Feb	Sales Revenue and VAT	144.00		200.00	(Dr)	(1)
27-Feb	Bank		60.00	140.00	(Dr)	(1)
	Bad Debts		140.00	0.00		(1)
EQUIPMENT ACCCOUNT						
01-Feb	Balance	4,120.00		4,120.00	(Dr)	0
19-Feb	Computers 4 U	650.00		4,770.00	(Dr)	(1)
COMPUTERS 4 U ACCOUNT						
19-Feb	Equipment and VAT		780.00	780.00	(Cr)	(1)
BAD DEBTS ACCOUNT						
27-Feb	Balgove Larder	140.00		140.00	(Dr)	(1)

Task 1: Specific marking instructions

- An award is based on the entire line being correct (date and nomenclature). Ignore balance for pre-given ledger accounts. For Computers4U and Bad Debts account, the balance is needed for the mark to be awarded.
- Mark each transaction consequentially. This may mean a correct answer as per solution is consequentially wrong. For example, for the transaction on 27 Feb, a candidate may have:

Balgove Larder Acc -	£140 Cr	
Bad Debts Acc -	£140 Cr	<i>This would get 0 marks</i>

In this instance, even although the Balgove Larder 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:

Balgove Larder Acc -	£140 Dr (X)
Bad Debts Acc -	£140 Cr (1) CE

NOTE: this applies to two entry transactions. Where VAT is involved, see scenario examples.

- It is **STRONGLY ADVISED** markers approach the question by marking transactions sequentially in date order (ie mark the 3 entries for 5 Feb first, then mark the entries for 12 Feb etc).

When marking a transaction, it is helpful to have a starting point, and then ask yourself 'What do I expect to see next?' The following starting points in a transaction are advised:

- 5 Feb - Start with entry in Purchases Acc (or Sales Acc if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 12 Feb - Start with entry in Stationery Acc (or other if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 15 Feb - Start with entry in Sales Acc (or Purchases Acc if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 19 Feb - Start with entry in Equipment Acc (or other if candidate has wrong treatment). Look at VAT next. It should follow the Dr or Cr entry of the first figure.
- 27 Feb - Start with entries in Balgove Larder Acc.

Nomenclature

- The first 2 times a candidate has a correct entry but incorrect date/nomenclature, **across 2 different transactions**, they will not gain the mark. Thereafter ignore incorrect date/nomenclature. Markers should indicate a no award due to incorrect nomenclature/date by writing an 'N' or 'D' beside the correct entry.

For example, if the 3 entries on 15 Feb have a date of 14 Feb, lose only 1 mark. However, if there is an incorrect date/nomenclature in a separate transaction the 2nd mark would be lost here.

- Nomenclature is consequential on the transaction. Nomenclature is also consequential on the account names used by the candidate (eg if candidate opens up a Discount Acc instead of Bad Debts, the entry in the Discount Acc would not be awarded a mark but using 'Discount' in the subsequent nomenclature would be consequential).
- If only one side of the double entry entered, cannot penalise nomenclature.
- If the entry is incorrect ignore date/nomenclature. Any incorrect date/nomenclature on a wrong entry does not count towards the candidate's nomenclature allowance.

Extra Entries

- If there are any extra entries as part of a transaction, apply the +/- rule. Taking the transaction on 12 Feb as an example, if a candidate enters £360 Dr in the Stationery Acc and also enters £320 Dr in the Purchases Acc (with the Vat and Bank Accounts being correct), they would only be awarded 2 marks over the transaction instead of 3. Markers should show this by putting the +/- sign at both the correct and wrong entries.
- Candidates may enter Goods Value and Discount from Invoice. Accept providing treatments are correct and ignore Discount Account.
- Ignore any discount figures of £36.25 in any account.

Treats from the Trossachs Account

- 0 marks for entries in this account if candidate has created it. Remainder of transaction is consequential (including nomenclature)

Fowlis Fruits Account

- The Purchases and VAT entry on 5 Feb may be split into 2 separate entries - accept. Also accept a wrong purchases figure and VAT, providing it is consequentially correct (may see entry of £862.75 if candidate has used £725 as purchases figure).

VAT Account

- Entry on 12 Feb is 1 mark for calculation and 1 mark for entry.

Stationery Account

- Accept entry of £345·60 Dr for 1 mark if VAT has been calculated as £86·40 in the VAT account (with corresponding entry of £432 in Bank Acc for 1 mark). Overall, transaction gains 3/4.
- Accept entry of £432 Dr for 1 mark if no VAT is calculated on the transaction (with corresponding entry of £432 in Bank Acc for 1 mark). Overall, transaction gains 2/4.

Bank Account

- Entry is consequential on candidate's Stationery Acc entry.
- If no VAT is applied by candidate, then nomenclature on 12 Feb is just Stationery. Also accept Stationery & VAT.
- The Stationery and VAT entry on 12 Feb may be split into 2 separate entries - accept.

Balgove Larder Account

- If the entries on 27 Feb are combined for one entry of £200, the nomenclature **MUST** say Bank and Bad Debts for 2 marks.
- If there is only one entry on 27 Feb of £200 with the nomenclature 'Bank' or 'Bad Debts' and the candidate has applied the bad debt in the ledgers correctly (£60 in the Bank Acc and £140 in the Bad Debts Acc), then award 1 mark for the entry in Balgove Larder Acc. This is outside of the Nomenclature allowance.
- If there is only one entry on 27 Feb of £200 with the nomenclature 'Bad Debt' and no indication of any monies paid to the Bank Acc - 0 marks in Balgove Larder Account and 1 consequential mark for £200 Dr entry in Bad Debts Acc.
- If there is only one entry on 27 Feb of £200 with the nomenclature 'Bank' and no indication of the bad debt anywhere in the accounts - 0 marks in Balgove Larder Acc and 1 consequential mark for £200 Dr entry in Bank Acc.

Question 1 Alternative Solution

5 Feb

Dr
Purchases Acc
Fowlis Fruits - £688.75

Cr
Fowlis Fruits Acc
Purch & Vat - £826.50

VAT Acc
Fowlis Fruits - £137.75

12 Feb

Dr
Stationery
Bank - £360

Cr
Bank
Stationery & VAT - £432

VAT Acc
Bank - £72 (2)

15 Feb

Dr
Balgove Larder
Sales & Vat - £144

Cr
Sales Acc
Balgove Larder - £120

VAT Acc
Balgove Larder - £24

19 Feb

Dr
Equipment
Computers 4U - £650

Cr
Computers 4U
Equipment & VAT - £780

VAT Acc
Computers 4U - £130

27 Feb

Dr
Bank Acc
Balgove Larder - £60

Cr
Balgove Larder
Bank - £60

Bad Debt Acc
Balgove Larder - £140

Balgove Larder
Bad Debts - £140

Question 1 - Examples of Candidate Responses

For entry on 5 Feb (although same principles will apply to all entries where VAT involved)

Scenario 1 – Reversal of ALL entries

Dr	Cr
<u>Fowlis Fruits Acc</u>	<u>Purchases Acc</u>
Purch & Vat - £826.50 (1) CE	Fowlis Fruits - £688.75 (X)
	<u>VAT Acc</u>
	Fowlis Fruits - £137.75 (1) CE

2 marks

Scenario 2 – All entries on Debit side

Dr	Cr
<u>Purchases Acc</u>	
Fowlis Fruits - £688.75 (1)	
<u>VAT Acc</u>	
Fowlis Fruits - £137.75 (1)	
<u>Fowlis Fruits Acc</u>	
Purch & Vat - £826.50 (X)	

2 marks

Scenario 3 – All entries on Credit side

Dr	Cr
	<u>Purchases Acc</u>
	Fowlis Fruits - £688.75 (X)
	<u>VAT Acc</u>
	Fowlis Fruits - £137.75 (1)
	<u>Fowlis Fruits Acc</u>
	Purch & Vat - £826.50 (X)

1 mark

Scenario 4

Dr	Cr
	<u>Purchases Acc</u>
	Fowlis Fruits - £688.75 (X)
<u>VAT Acc</u>	<u>Fowlis Fruits Acc</u>
Fowlis Fruits - £137.75 (X)	Purch & Vat - £826.50 (X)

0 marks

Scenario 5

Dr	Cr
<u>Purchases Acc</u>	
Fowlis Fruits - £688.75 (1)	
<u>Fowlis Fruits Acc</u>	<u>VAT Acc</u>
Purch & Vat - £826.50 (X)	Fowlis Fruits - £137.75 (X)

1 mark

Scenario 6

Dr	Cr
<u>Purchases Acc</u>	<u>VAT Acc</u>
Fowlis Fruits - £688.75 (1)	Fowlis Fruits - £137.75 (X)
	<u>Fowlis Fruits Acc</u>
	Purch & Vat - £826.50 (1)

2 marks

Scenario 7

Dr	Cr
<u>VAT Acc</u>	<u>Purchases Acc</u>
Fowlis Fruits - £137.75 (X)	Fowlis Fruits - £688.75 (X)
<u>Fowlis Fruits Acc</u>	
Purch & Vat - £826.50 (1)	

1 mark

Scenario 8 - Treated as Sales not Purchases (and vice versa)

Dr	Cr
<u>Fowlis Fruits Acc</u>	<u>Sales Acc</u>
Sales & Vat - £826.50 (1) CE	Fowlis Fruits - £688.75 (X)
	<u>VAT Acc</u>
	Fowlis Fruits - £137.75 (1) CE

2 marks

If the candidate has put the initial entry into the Sales Account as a debit then award 0 marks for the whole transaction. **No consequentiality will be considered for these transactions.** Consequentiality has a limit!

Scenario 9 – Full amount to Purchases Acc

Dr	Cr
<u>Purchases Acc</u>	<u>Fowlis Fruits Acc</u>
Fowlis Fruits - £826.50 (X)	Purch & Vat - £688.75 (X)
<u>VAT Acc</u>	
Fowlis Fruits - £137.75 (1)	

1 mark

In this scenario, the only award given is for VAT. If the full amount goes to the Purchases Acc but put on Credit side, VAT can still gain award if it too is put on Credit side.

Task 2 - Value Printout

Date	Details	Receipts			Issues			Balance		
		Units (kg)	CPU (£)	Value (£)	Units (kg)	CPU (£)	Value (£)	Units (kg)	CPU (£)	Value (£)
1 February	Opening Balance							100	1.58	158.00
5 February	Purchases from Supplier	600	1.60	960.00				100	1.58	158.00
								600	1.60	960.00
										1,118.00
6 February	Issues to Job 560				400	1.60	640.00	100	1.58	158.00
								200	1.60	320.00
										478.00
8 February	Issues to Job 561				200	1.60	320.00	50	1.58	79.00
					50	1.58	79.00			
9 February	Purchases from Supplier	500	1.64	820.00				50	1.58	79.00
								500	1.64	820.00
										899.00
10 February	Issues to Job 562				450	1.64	738.00	50	1.58	79.00
								50	1.64	82.00
										161.00

0

(1) for whole Balance box

(1) for whole Balance box

(1) for whole Balance box

(1) for whole Balance box

(1) for whole Balance box

(1) for all receipts correct

(4) 1 for each correct Issues row

Task 2: Specific marking instructions

- If done as FIFO, lose all 4 marks in issues column. If started as FIFO and then candidate has moved on to LIFO - lose all 4 marks in issues column.
- If 2 separate groups of inventory not shown in 5 Feb balance and then subsequent balances, lose award for balance on 5 Feb and lose the 4 issue marks. Remaining balances are consequential.
- If Balance has 2 separate inventories, need to show a total value of both inventories. If total not shown, lose balance box award once. Thereafter treat as consequential.
- Where 2 separate inventories and total value is shown but individual totals are not - accept. Eg - 5 Feb only has £1,118 in balance
- CPU **MUST** be shown in each box to gain award. If not - lose award each time.
- If Balance column done as running balance - mark balances box as per solution.
- Don't need issues on 8 February to be subtotalled.

Task 2 - Formula Printout

Date	Details	Receipts			Issues			Balance		
		Units (kg)	CPU (£)	Value (£)	Units (kg)	CPU (£)	Value (£)	Units (kg)	CPU (£)	Value (£)
1 February	Opening Balance							100	1.58	=I7*J7
5 February	Purchases from Supplier	600	1.6	=C10*D10				100	1.58	=I10*J10
								600	1.6	=I11*J11
										=SUM(K10:K11)
6 February	Issues to Job 560				400	1.6	=F13*G13	100	1.58	=I13*J13
								200	1.6	=I14*J14
										=SUM(K13:K14)
8 February	Issues to Job 561				200	1.6	=F16*G16	50	1.58	=I16*J16
					50	1.58	=F17*G17			
9 February	Purchases from Supplier	500	1.64	=C19*D19				50	1.58	=I19*J19
								500	1.64	=I20*J20
										=SUM(K19:K20)
10 February	Issues to Job 562				450	1.64	=F22*G22	50	1.58	=I22*J22
								50	1.64	=I23*J23
										=SUM(K22:K23)

(1)

(1)

(1)

- 1 mark is awarded for formula in each of the Value columns
The value in the balance column can be calculated in a variety of ways - award marks as long as a cell-referenced formula is used.
- No need for formulae to be used to calculate Units and CPU figures.

Task 3 - Value Printout

ESTIMATED DATA

	APRIL	MAY	JUNE	JULY
Production units (boxes)	6,000	6,600	7,400	8,000
Purchase of oats (kg)	4,000	4,500	4,800	5,200

DATA

	£	
Selling price	12.00	<i>per box</i>
Labour	2.40	<i>per box</i>
Materials (Oats)	1.44	<i>per kg</i>
Other materials	1.80	<i>per box</i>
Variable overheads	1.10	<i>per box</i>

BANK LOAN REPAYMENTS

Monthly payment	£300.00
Monthly interest	15%

CASH BUDGET FOR TREATS FROM THE TROSSACHS JUNE AND JULY 2018

	JUNE		JULY	
	£		£	
OPENING BALANCE	5,500.00	(1)	31,845.00	
RECEIPTS				
Cash sales	22,200.00	(1)	24,000.00	(1)
Credit sales	<u>56,430.00</u>	(2)	<u>63,270.00</u>	(1)
	78,630.00		87,270.00	
PAYMENTS				
Materials (Oats)	5,760.00		6,480.00	(1) for line
Other materials	11,880.00		13,320.00	(1) for line
Labour	17,760.00		19,200.00	(1) for line
Variable overheads	8,140.00		8,800.00	(1) for line
Fixed costs	6,000.00		6,000.00	(1) for line
Delivery van	2,400.00	(1)	9,600.00	(1)
Bank loan repayments	<u>345.00</u>		<u>345.00</u>	(1) for line
	52,285.00		63,745.00	
CLOSING BALANCE	<u><u>31,845.00</u></u>		<u><u>55,370.00</u></u>	(1)

Task 3: Specific marking instructions

- Figures for Opening Balance and Material Price are consequential on candidate answer in previous tasks.
- If no subtotals for either receipts or payments, lose closing balance award. (Opening balance may be added to receipts).
- For both cash and credit sales, look at formulae to ascertain how answer was arrived at.
- For Cash Sales
 - If 1 error, award **0 marks** for June and **1 mark** consequentially for July
 - If 2 errors, award **0 marks** for June and **0 marks** consequentially for July
- For Credit Sales
 - If 1 error, award **1 mark** for June and **1 mark** consequentially for July
 - If 2 errors, award **0 marks** for June and **1 mark** consequentially for July
 - If 3 errors, award **0 marks** for June and **0 marks** consequentially for July
- In formula view, if the candidate used £6,000 in Bank Loan Repayment, accept formula mark as £6,000 cannot be cell referenced. If candidate typed 0·15 or 1·15 then do not award as 15% can be cell referenced.

Task 3 – Formula Printout

		APRIL	MAY	JUNE	JULY		JUNE	JULY
Production units (boxes)	6000	6600	7400	8000				
Purchase of Oats (kg)	4000	4500	4800	5200				
							£	£
						OPENING BALANCE	=Ledger!E35*1.25 F1	=H23
DATA		£						
Selling price	12	<i>per box</i>				RECEIPTS		
Labour	2.4	<i>per box</i>				Cash sales	=(D4*0.25)*B8	=(E4*0.25)*B8 F2
Materials (Oats)	=Inventory!D10*0.9	<i>per kg</i>	F1			Credit sales	=(C4*0.75)*(B8*0.95)	=(D4*0.75)*(B8*0.95) F3
Other materials	1.8	<i>per box</i>					=SUM(H9:H10)	=SUM(J9:J10)
Variable overheads	1.1	<i>per box</i>						
						PAYMENTS		
BANK LOAN REPAYMENTS						Materials (Oats)	=B10*B5	=B10*C5
Monthly payment	300					Other materials	=B11*C4	=B11*D4
Monthly interest	0.15					Labour	=B9*D4	=B9*E4
						Variable overheads	=B12*D4	=B12*E4
						Fixed costs	6000	6000
						Delivery van	=12000*20%	=12000*80%
						Bank loan repayments	=B15+(B15*B16)	=B15+(B15*B16) F4
							=SUM(H14:H20)	=SUM(J14:J20)
						CLOSING BALANCE	=H6+H11-H21	=J6+J11-J21

F5 - ALL OTHER FORMULAE

[END OF MARKING INSTRUCTIONS]