

The logo consists of the letters 'N5' in a large, bold, white font, set against a solid purple square background.

National 5
Coursework
Assessment Task



2020 Accounting Assignment

National 5

Marking Instructions

© Scottish Qualifications Authority 2020

These marking instructions are prepared by examination teams for use by SQA appointed markers when marking external course assessments.

Please note, as we were not able to carry out live marking in 2020, these marking instructions are not presented in a final state and have not been referenced against candidate responses.



General marking principles

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

- a Marks for each candidate response must **always** be assigned in line with these general marking principles and the specific marking instructions for this assessment.
- b 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.
- c Candidates are awarded marks for showing workings and demonstrating that accounting processes have been followed, even when incorrect figures are presented.
- d **Printouts**
Candidates are clearly directed within the instructions, to the printing requirements. If the formula printout is missing, no formula marks can be awarded. If the value view printout is missing, as many marks as possible should be awarded based on the formula view printout.

Absolutute cell references are not required.

Named cells are acceptable.

Each time a formula is truncated, the mark cannot be awarded.

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.
- e **Formatting**
Candidates may have changed formatting to different decimal places - accept.
- f **Treatment of errors**
Guidance on the treatment of errors, for example extraneous items, arithmetic errors and consequential errors, is provided in the specific marking instructions.
- g **Consequential errors**
Consequential errors are taken account of and candidates receive credit for following the correct accounting processes and spreadsheet formulae.

Specific marking instructions

Task 1

SELECTED LEDGER ACCOUNTS OF TENTSMUIR DRINKS						
						Marks
Date	Details	Dr	Cr	Bal		
PURCHASES ACCOUNT						
01-Feb	Balance			2,100.00	Dr	0
06-Feb	Kinburn Fruits	737.20		2,837.20	Dr	1
SALES REVENUE ACCOUNT						
01-Feb	Balance			4,250.00	Cr	0
10-Feb	Glendoick Cafe		100.00	4,350.00	Cr	1
GLENDOICK CAFE ACCOUNT						
01-Feb	Balance			190.00	Dr	0
10-Feb	Sales Revenue and VAT	120.00		310.00	Dr	1
21-Feb	Bank/Cash Equivalents		190.00	120.00	Dr	1
VAT ACCOUNT						
01-Feb	Balance			360.00	Cr	0
06-Feb	Kinburn Fruits	147.44		212.56	Cr	1
10-Feb	Glendoick Cafe		20.00	232.56	Cr	1
16-Feb	Kinburn Fruits		5.92	238.48	Cr	1
23-Feb	Bank/Cash Equivalents	10.00		228.48	Cr	2
BANK (CASH EQUIVALENTS) ACCOUNT						
01-Feb	Balance			2,530.00	Dr	0
18-Feb	Drawings		200.00	2,330.00	Dr	1
21-Feb	Glendoick Cafe	190.00		2,520.00	Dr	1
23-Feb	Petrol and VAT		60.00	2,460.00	Dr	1
25-Feb	Broughty Brewhouse	120.00		2,580.00	Dr	1
PURCHASES RETURNS ACCOUNT						
01-Feb	Balance			0.00	Cr	0
16-Feb	Kinburn Fruits		29.64	29.64	Cr	1
SALES REVENUE RETURNS ACCOUNT						
01-Feb	Balance			0.00	Dr	0
BROUGHTY BREWHOUSE ACCOUNT						
01-Feb	Balance			600.00	Dr	0
25-Feb	Bank/Cash Equivalents		120.00	480.00	Dr	1
25-Feb	Bad Debts		480.00			1

KINBURN FRUITS ACCOUNT						
01-Feb	Balance			1,000.00	Cr	
06-Feb	Purchases and VAT		884.64	1,884.64	Cr	1
16-Feb	Purchases Returns and VAT	35.56		1,849.08	Cr	1
DRAWINGS ACCOUNT						
18-Feb	Bank/Cash Equivalents	200.00		200.00	Dr	1
PETROL ACCOUNT						
23-Feb	Bank/Cash Equivalents	50.00		50.00	Dr	1
BAD DEBTS ACCOUNT						
25-Feb	Broughty Brewhouse	480.00		480.00	Dr	1

- An award is based on the entire line being correct (date and nomenclature). Ignore balance for pre-given ledger accounts. However, the balance is needed in the following accounts for the mark to be awarded.
 - Kinburn Fruits
 - Drawings
 - Petrol
 - Bad Debts
- The 23 February entry in the VAT Account is worth 2 marks – 1 mark for calculation, 1 mark for entry.

Task 2 – Value view

**TENTSMUIR DRINKS
BREAK-EVEN ANALYSIS FOR SWILKIN CRAFT SOFT DRINKS - APRIL 2020**

Marks

Selling price (per case)		£10.00	
Variable Costs:			
Raw Materials (per bottle)	£0.20		
Packaging (per case)	£0.80		
Labour (per case)	£2.60		
Variable Overheads (per case)	£1.20		
Total Variable Cost (per case)		£7.00	1
Contribution (per case)		£3.00	1
Monthly Fixed Costs		£7,200	

Number of Cases	Sales Revenue	Total Variable Costs	Total Fixed Costs	Total Costs	Profit/Loss
0	£0	£0	£7,200	£7,200	-£7,200
1,000	£10,000	£7,000	£7,200	£14,200	-£4,200
2,000	£20,000	£14,000	£7,200	£21,200	-£1,200
3,000	£30,000	£21,000	£7,200	£28,200	£1,800
4,000	£40,000	£28,000	£7,200	£35,200	£4,800

1 For Sales Revenue AND Total Variable Costs columns

1 For Total Costs AND Profit/Loss columns

Number of cases required to break-even	2,400	1
Margin of safety in sales value at 3,500 cases	£11,000	1
Profit/Loss at 5,000 cases	£7,800	2
Number of cases required to make a profit of £9,000	5,400	2

Task 2 – Formula view

TENTSMUIR DRINKS

BREAK-EVEN ANALYSIS FOR SWILKIN CRAFT SOFT DRINKS - APRIL 2020

Marks

Selling price (per case)

10

Variable Costs:

Raw Materials (per bottle) 0.2

Packaging (per case) 0.8

Labour (per case) 2.6

Variable Overheads (per case) 1.2

Total Variable Cost (per case)

$= (C7 * 12) + \text{SUM}(C8:C10)$

F1

Contribution (per case)

$= E4 - E11$

F2

Monthly Fixed Costs

7200

Number of Cases	Sales Revenue	Total Variable Costs	Total Fixed Costs	Total Costs	Profit/Loss
0	$= \$E\$4 * A20$	$= \$E\$11 * A20$	$= \$E\16	$= C20 + D20$	$= B20 - E20$
1000	$= \$E\$4 * A21$	$= \$E\$11 * A21$	$= \$E\16	$= C21 + D21$	$= B21 - E21$
2000	$= \$E\$4 * A22$	$= \$E\$11 * A22$	$= \$E\16	$= C22 + D22$	$= B22 - E22$
3000	$= \$E\$4 * A23$	$= \$E\$11 * A23$	$= \$E\16	$= C23 + D23$	$= B23 - E23$
4000	$= \$E\$4 * A24$	$= \$E\$11 * A24$	$= \$E\16	$= C24 + D24$	$= B24 - E24$

F2

F2

F3

F2

F2

Task 2 – Formula view

Number of cases required to break-even

$=E16/E13$ F4

Margin of safety in sales value at 3,500 cases

$=(3500-E27)*E4$ F4

Profit/Loss at 5,000 cases

$=E13*5000-E16$ F5*

Number of cases required to make a profit of £9,000

$=(E16+9000)/E13$ F5**

*Accept $=(5,000-E27)*E13$

**Accept $=(9,000/E13)+E27$

Task 3 – Value view



TENTSMUIR DRINKS

Tayport
Fife
DD6 5RV

JOB QUOTATION

Number of Cases Ordered

1,500

Job Cost Statement

Raw Materials	£3,600.00	1
Packaging	£840.00	2
Basic Labour	£3,640.00	2
Overtime	£520.00	1
Variable Overheads	£1,800.00	1
TOTAL COST	£10,400.00	*
Discount	£520.00	1
	£9,880.00	*
Profit	£2,470.00	}
	£12,350.00	
VAT	£2,470.00	1
SELLING PRICE	£14,820.00	* 1

Raw materials could be consequential based on approach to Task 2.

Packaging calculation - 1 mark for reducing the cost by 30%, 1 mark for multiplying by number of cases.

Basic Labour calculation - 1 mark for deducting 100, 1 mark for rest of calculation.

Vat and Profit mark is combined.

* Final Selling Price mark includes correct treatment of subtotals.

Task 3 – Formula view



TENTSMUIR DRINKS

Tayport
Fife
DD6 5RV

JOB QUOTATION

Number of Cases Ordered

Job Cost Statement

Raw Materials	=B11*(Break-even!C7*12)	F1
Packaging	=B11*(Break-even!C8*0.7)	F2
Basic Labour	=(B11-100)*Break-even!C9	F2
Overtime	=100*Break-even!C9*2	F1
Variable Overheads	=B11*Break-even!C10	F1
TOTAL COST	=SUM(C14:C22)	F4
Discount	=C23*5%	F3
	=C23-C25	F4
Profit	=C26*25%	F3
	=C28+C26	F4
VAT	=C29*20%	F3
SELLING PRICE	=C31+C29	F4

[END OF MARKING INSTRUCTIONS]