



National 5
coursework
assessment task



National 5 Accounting Assignment Coursework Finalised Marking instructions

General marking principles

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.

- (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, as to the printing requirements. If the formulae printout is missing, no formula marks can be awarded. If value view printout is missing, markers should award as many marks as possible based on the formulae view printout.

Absolute 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**
Accept if candidates have changed formatting to different decimal places.
- (f) **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.
- (g) **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.
- (h) **Consequential errors**
Consequential errors are taken account of and candidates receive credit for following the correct accounting processes and spreadsheet formulae.

Task 1 Ledger Accounts

	A	B	C	D	E	F	G	H	I
1	SELECTED LEDGER ACCOUNTS OF PREMIER SCARVES								
2									
3	Date	Details	Dr	Cr	Bal				
4	PURCHASES ACCOUNT								
5	01-Mar	Balance			6,400.00	Dr	0		
6	05-Mar	Haberdasher United	3,277.50		9,677.50	Dr	1		
7									
8	SALES REVENUE ACCOUNT								
9	01-Mar	Balance			11,650.00	Cr	0		
10									
11	BETTER BAGS ACCOUNT								
12	01-Mar	Balance			480.00	Dr	0		
13	18-Mar	Bank (Cash Equivalents)		168.00	312.00	Dr	2	1 for calc; 1 for entry	
14	18-Mar	Bad Debts		312.00			1		
15									
16	VAT ACCOUNT								
17	01-Mar	Balance			1,225.00	Dr	0		
18	05-Mar	Haberdasher United	655.50		1,880.50	Dr	1		
19	10-Mar	Haberdasher United		4.75	1,875.75	Dr	1		
20	12-Mar	Cash Equivalents	66.00		1,941.75	Dr	1		
21									
22	BANK (CASH EQUIVALENTS) ACCOUNT								
23	01-Mar	Balance			5,450.00	Dr	0		
24	11-Mar	Cairnroy Rovers	500.00		5,950.00	Dr	1		
25	12-Mar	Publishing and VAT		396.00	5,554.00	Dr	1		
26	18-Mar	Better Bags	168.00		5,722.00	Dr	1		
27									
28	PURCHASES RETURNS ACCOUNT								
29	01-Mar	Balance			120.00	Cr	0		
30	10-Mar	Haberdasher United		23.75	143.75	Cr	1		
31									
32	SALES REVENUE RETURNS ACCOUNT								
33	01-Mar	Balance			135.00	Dr	0		
34									
35	HABERDASHER UNITED ACCOUNT								
36	01-Mar	Balance			5,300.00	Cr	0		
37	05-Mar	Purchases and VAT		3,933.00	9,233.00	Cr	1		
38	10-Mar	Purchases Returns and VAT	28.50		9,204.50	Cr	1		
39									
40	CAIRNROY ROVERS ACCOUNT								
41	01-Mar	Balance			600.00	Dr	0		
42	11-Mar	Cash Equivalents		500.00	100.00	Dr	1		
43									
44	PUBLISHING/PRINTING/BROCHURES ACCOUNT								
45	12-Mar	Cash Equivalents	330.00		330.00	Dr	1		
46									
47	BAD DEBTS ACCOUNT								
48	18-Mar	Better Bags	312.00		312.00	Dr	1		

Q1 - General Instructions

- Markers should approach question by marking transactions sequentially in date order (mark entries for 5 March first, then mark 10 March etc).
- Mark the starting point first, then ask yourself 'What would I expect to see next'? (See next page for starting points)
- If **NO** starting point - then mark as per solution.
If **wrong** starting point (eg Sales acc opened instead of Purchases on 5 March) then mark consequentially (12 Mar has its own instruction).
- In transactions with VAT:
 - If FULL AMOUNT (or higher amount) in Purchases, Sales, Purchase Returns, Sales Returns (e.g Purchases Acc on 5 March has £3,933 Dr) - mark as per solution (This also applies if the starting point was wrong).
 - If VAT is DEDUCTED from original starting point figure and on correct side, then mark consequentially. Eg Purchases Acc on 5 March has £2,622 Dr then 0 Marks in Purchases Acc, 1 mark in VAT Acc for £655.50 Dr and 1 consequential mark for £3,277.50 Cr in Haberdasher Acc (2/3 marks overall). However, if original entry with VAT deducted is on the wrong side mark then mark as per solution.
 - Amounts can be split. Eg 5 March Haberdasher Acc may show separate entries of £3,277.50 and £655.50 instead of one entry of £3,933 This is acceptable.
- Apply consequentiality as to which side of the ledger entries are on. Therefore, if a Purchase is incorrectly entered on the Credit side, this would be marked wrong. However if the VAT was also on the Credit Side and the supplier on the Debit Side this would be consequentially correct. Taking this approach may mean that some entries which are correct as per solution, will be marked as consequentially incorrect.
- Consequentiality is not applied to the figures contained within a transaction. The figures are to be marked as per solution (with the exception of the instances highlighted above).
- If dates/nomenclature MISSING OR WRONG - do not award (DNA) first scoring mark (up to a maximum of 1 mark). Ignore wrong/missing nomenclature on entries which do not gain an award.
- If an entry has been put into the wrong account, it does not gain an award.
- If there are any extra entries as part of a transaction, apply the +/- rule. This means a mark will not be awarded across the transaction.

Taking the transaction on 5 March as an example, if a candidate enters £3,933 Cr in the Haberdasher Acc and also enters £3,933 in the Bank Acc (with the VAT and Purchases Accounts being correct), they would be awarded 2 marks over the transaction instead of 3.
- For Account names, If Provision for Bad Debts Acc entered instead of Bad Debts, DNA mark.

Q1 - General Instructions (Cont)

The following starting points in a transaction should be used:

05-Mar	Start with entry in Purchases Acc. Look at VAT next. It should follow the Dr or Cr entry of the first figure. Then, look at Haberdasher.												
10-Mar	Start with Purchase Returns. Look at VAT next. It should follow the Dr or Cr entry of the first figure. Then, look at Haberdasher. - If original transaction on 5 March treated as Sales, accept a fully consequential set of Sales Return entries for 3 marks. - If original transaction on 5 March treated as Sales, but 10 March treated as a Purchase Return. This would be consequentially incorrect. Candidate would not be awarded first entry in Purchases Returns, but could gain VAT and Haberdasher awards. - If 5 Mar transaction treated as a Purchase but put in wrong column as a Cr then treat 10 Mar as standalone from 5 Mar. This means if candidate has subsequently entered £23.75 Dr in the Purchases Returns Acc it would be marked as wrong but 2 consequential marks would be awarded for £4.75 Dr in VAT Acc and £28.50 Cr in Haberdasher. This rule also applies if original entry on 5 March was treated as a Sale but entered on the wrong side. - If 5 Mar treated as a Purchase but 10 Mar treated as a Sales Return, then DNA mark in Sales Returns. Consequential marks could be awarded in VAT and Haberdasher. If full amount shown (£28.50) in Sales Returns, then mark as per solution.												
11-Mar	Start with entry in Bank Acc. Then look at Cairnroy Acc.												
12-Mar	Start with Bank Acc. If wrong starting point then mark consequentially eg Sales has £396 Cr and other entries correct award 2 marks. • If there is NO entry in the VAT Acc, then candidate can be awarded 1/3 marks overall for £396, £330, £316.80, £462 or £475.20 if entries are in BOTH Bank & Publishing Accs. • If there is any entry in the VAT Acc, then it is a 3 entry transaction so mark as per solution (other than the scenario above) The only exceptions to this are: <table> <tr> <td>Bank Acc</td><td>£396 Cr - 1 Mark</td></tr> <tr> <td>VAT</td><td>£79.20 Dr - 0 Marks</td></tr> <tr> <td>Publishing Acc</td><td>£316.80 Dr - 1 Consequential Mark</td></tr> <tr> <td>Bank Acc</td><td>£330 Cr - 0 Marks</td></tr> <tr> <td>VAT</td><td>£66 Dr OR CR -1 Mark (Accept either side)</td></tr> <tr> <td>Publishing Acc</td><td>£396 Dr - 0 Marks</td></tr> </table> In the exceptions above, if any entry is on the wrong side or put in the wrong account, then revert to marking as per solution.	Bank Acc	£396 Cr - 1 Mark	VAT	£79.20 Dr - 0 Marks	Publishing Acc	£316.80 Dr - 1 Consequential Mark	Bank Acc	£330 Cr - 0 Marks	VAT	£66 Dr OR CR -1 Mark (Accept either side)	Publishing Acc	£396 Dr - 0 Marks
Bank Acc	£396 Cr - 1 Mark												
VAT	£79.20 Dr - 0 Marks												
Publishing Acc	£316.80 Dr - 1 Consequential Mark												
Bank Acc	£330 Cr - 0 Marks												
VAT	£66 Dr OR CR -1 Mark (Accept either side)												
Publishing Acc	£396 Dr - 0 Marks												
18-Mar	For the first half of the transaction, start with Better Bags Account then go to Bank. For the second half of the transaction, start with Better Bags and award mark to any figure that clears account to 0. Then go to Bad Debts. - If entry in Better Bags is one amount of £480, it can be awarded full marks if the nomenclature says "Bank & Bad Debts" or if there is an indication that the money received (£168) has been correctly calculated in a subsequent account. If the nomenclature does not say "Bank & Bad Debt", do not award 1 mark for nomenclature (unless it has already been not awarded).												

Task 2 Cash Budget - Value

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	ESTIMATED DATA						CASH BUDGET FOR PREMIER SCARVES							
2							FOR APRIL AND MAY 2026							
3		March	April	May	June									
4	Sales (units)	3,800	4,000	3,950	3,600			April	May					
5	Production (units)	4,200	4,100	4,600	3,900			£	£					
6								OPENING BALANCE	5,722	14,392				
7	Standard Selling Price:	£15.00												
8								RECEIPTS						
9	Online Customers - Cash Sales							Online Cash Sales	18,000	17,775	2		1 error = 1 mark	
10	percentage of sales units:	30%						Retail Credit Sales	31,920	33,600	2		2 errors = 0 marks*	
11	cash customers pay:	100% of Standard Selling Price						TOTAL RECEIPTS	49,920	51,375				
12														
13	Retail Customers - Credit Sales							PAYMENTS						
14	percentage of sales units:	70%						Materials	10,500	10,250	1		for line	
15	credit customers receive:	20% Discount						Labour	16,400	18,400	1		for line	
16								Variable Overheads	5,750	4,875	1		for line	
17	Variable Costs (per unit):							Fixed Costs	5,000	5,500	1		for line	
18	Materials	£2.50						Machinery	3,600	4,800	1		for line	
19	Labour	£4.00						TOTAL PAYMENTS	41,250	43,825				
20	Variable Overheads	£1.25												
21								CLOSING BALANCE	14,392	21,942	1		for correct opening	
22	Monthly Fixed Costs	£5,000											& closing balances	
23	Increase in May	10%											(Apr Opening Balance	
24													is consequential	
25	New Machinery Cost	£18,000											from Task 1)	
26	Deposit	20%												
27	Number of Instalments	3												
28														
29	NOTES													
30														
31	If the Bank Account in Task 1 has decimals and not brought through - ignore (this is due to the format automatically rounding)													
32	Because of the rounding, the arithmetic shown on the totals/subtotals may be slightly off by 1 or 2. Again - Ignore.													
33														
34	Opening Balances may be added to Receipts Subtotal - April £55,643 May £65,767													
35														
36	*Check Cash and Credit Sales formulae to see if marks can be awarded for incorrect answers. Same error in April & May = 1 mark, 2 errors = 0 marks.													
37	Some common errors are:													
38		Apr	May											
39	Not moving a month bank	33,600	33,180											
40	Moving a month forward	33,180	30,240											
41	Not applying the discount	39,900	42,000											
42	Applying 20% instead of 80%	7,980	8,400											
43	Applying 120% instead of 80%	47,880	50,400											
44	Using 30% instead of 70%	13,680	14,400											
45	Not Using 70%	45,600	48,000											
46														
47	If candidates use Production figures for Sales - no consequentiality and no award.													

Task 2 Cash Budget - Formulae

	A	B	C	D	E	F	G	H	I	J	K
1	ESTIMATED DATA						CASH BUDGET FOR PREMIER SCARVES				
2							FOR APRIL AND MAY 2026				
3		March	April	May	June						
4	Sales (units)	3800	4000	3950	3600			April	May		
5	Production (units)	4200	4100	4600	3900			£	£		
6							OPENING BALANCE	=Task 1 Ledger Accounts!E26	=H21		F4
7	Selling Price:	15									F1
8							RECEIPTS				
9	Online Customers - Cash Sales						Online Cash Sales	=C4*B10*B7	=D4*B10*B7		F2
10	percentage of sales units: 0.3						Retail Credit Sales	=B4*B14*B7*(B11-B15)	=C4*B14*B7*(B11-B15)		F2
11	cash customers pay: 1		of Star				TOTAL RECEIPTS	=SUM(H9:H10)	=SUM(I9:I10)		F4
12											
13	Retail Customers - Credit Sales						PAYMENTS				
14	percentage of sales units: 0.7						Materials	=B5*B18	=C5*B18		F3
15	credit customers receive: 0.2		Discol				Labour	=C5*B19	=D5*B19		F3
16							Variable Overheads	=D5*B20	=E5*B20		F3
17	Variable Costs (per unit):						Fixed Costs	=B22	=B22*B23+B22		F4
18	Materials	2.5					Machinery	=B25*B26	=(B25-H18)/B27		F5
19	Labour	4					TOTAL PAYMENTS	=SUM(H14:H18)	=SUM(I14:I18)		F4
20	Variable Overheads	1.25									
21							CLOSING BALANCE	=H6+H11-H19	=I6+I11-I19		F4
22	Monthly Fixed Costs	5000									
23	Increase in May	0.1									
24											
25	New Machinery Cost	18000									
26	Deposit	0.2									
27	Number of Instalments	3									

Task 3 Ratios - Value

	A	B	C	D	E	F	G	H	I	J
1	PREMIER SCARVES									
2	FINANCIAL INFORMATION									
3	FOR YEAR ENDED 31 DECEMBER 2025									
4		£	Calculate the following for 2025:							
5	Cash Equivalents	5,600								
6	Closing Inventory	12,500	(i)	Gross Profit Ratio:		40	%	1		
7	Equity	480,000								
8	Expenses	161,000	(ii)	Profit for the Year Ratio:		12	%	1		
9	Gross Profit	230,000								
10	Opening Inventory	10,500	(iii)	Cost of Sales:		£345,000		1		
11	Other Payables	3,500								
12	Sales Revenue	575,000	(iv)	Average Inventory:		£11,500		1		
13	Trade Payables	18,000								
14	Trade Receivables	26,000	(v)	Rate of Inventory Turnover:		30	times	1		
15										
16	NOTE:		(vi)	Current Ratio:		2.05	:1	2	1 error = 1 mark 2 errors = 0 marks	
17	Credit Sales	80%								
18	Credit Purchases	60%	(vii)	Purchases:		£347,000		2		
19										
20			(viii)	Trade Payables' Payment Period:		32	days	2		
21										
22			(ix)	Trade Receivables' Collection Period:		21	days	2		
23										
24								13 marks		
25	NOTES									
26										
27	For Purchases, if figure is £2,000 lower than Cost of Sales - award 1 mark (Candidate has swapped treatment of Opening/Closing inventory).									
28										
29	If Trade Payables and Trade Receivables both incorrect due to formula having no brackets, award 1 mark for Trade Payables and									
30	2 consequential marks for Trade Receivables in Value View.									

Task 3 Ratios - Formulae

	D	E	F	G	H
1					
2					
3					
4	Calculate the following for 2025:				
5					
6	(i)	Gross Profit Ratio:	$=B9/B12*100$	%	F1
7					
8	(ii)	Profit for the Year Ratio:	$=((B9-B8)/B12)*100$	%	F1
9					
10	(iii)	Cost of Sales:	$=B12-B9$		F1
11					
12	(iv)	Average Inventory:	$=(B10+B6)/2$		F1
13					
14	(v)	Rate of Inventory Turnover:	$=F10/F12$	times	F1
15					
16	(vi)	Current Ratio:	$=(B6+B14+B5)/(B13+B11)$	:1	F2
17					
18	(vii)	Purchases:	$=F10+B6-B10$		F2
19					
20	(viii)	Trade Payables' Payment Period:	$=B13/(F18*B18)*365$	days	F3
21					
22	(ix)	Trade Receivables' Collection Period:	$=B14/(B12*B17)*365$	days	F3

Task 4 Ratio Analysis

PREMIER SCARVES RATIO ANALYSIS FOR 2024 AND 2025

Suggest **one reason** for the difference in each of the following ratios.

Ratio	2024	2025	Possible reason for difference	
Current Ratio	1.5 :1	2.05 :1	More inventory held. More cash in the bank. Higher trade receivables. Lower trade payables. Accept Higher Current Assets/Lower Current Liabilities Sale of Non-Current Assets NEED TO SAY CURRENT - If candidate just says "Assets" or "Liabilities" then no award unless they go on to give an example of a current asset/liability.	1 mark for any suitable response
Profit for the Year Ratio	18 %	12 %	Lower selling price. Lower gross profit Higher cost of purchases/payments/materials. Higher expenses/or an example of a higher expense More theft/wastage DNA - Lower Sales/Selling Less	1 mark for any suitable response
Trade Receivables' Collection Period	28 days	21 days	Better credit control. Reduction in credit terms offered. Offering customers a prompt payment/cash discount. If candidate just says "Discount", it must have link to paying quicker. DNA if candidate says Trade Discount. If candidate has said Cash Discount but then goes on to describe Trade Discount - Accept	1 mark for any suitable response

NOTES

2025 figures do not need to be pulled through. If 2025 figures are missing, check Task 3 answers.

If candidate inserts the wrong figure, their answer must align with their figure in Task 3.

If candidate has not attempted a ratio in Task 3, they could still be awarded a mark in Task 4 if their response indicates knowledge of the reason for difference.

[END OF MARKING INSTRUCTIONS]