

Course report 2026

Advanced Higher Accounting, SCQF level 7

We've written this report for teachers and lecturers. We recommend you read this with the published course assessment documents and marking instructions.

The report:

- provides a summary of how each course component performed
- highlights areas of the question paper and coursework where candidates performed well and areas where they did not perform well
- has advice you might find useful when preparing candidates for assessment

We collect and prepare the statistics in course reports before we complete the appeals process.

Statistical and grade boundary information

Course entries

Number of resulted entries in 2025: 54

Number of resulted entries in 2026: 43

Distribution of course awards (including minimum mark to achieve each grade)

Course award	Number of candidates	Percentage	Cumulative percentage	Minimum mark required
A	23	53.5	53.5	140
B	4	9.3	62.8	120
C	7	16.3	79.1	100
D	3	7.0	86.0	80
No award	6	14.0	100	Not applicable

We've not applied rounding to these statistics.

In this report:

- 'Most' means greater than or equal to 70%.
- 'Many' means 50% to 69%.
- 'Some' means 25% to 49%.
- 'Few' or 'a few' means less than 25%.

You can find [statistical reports](#) on our website.

General commentary on grade boundaries

Our main aim when setting grade boundaries is to be fair to candidates across all subjects and levels, and to maintain comparable standards across the years, even as arrangements evolve and change.

For most National Courses, we aim to set examinations and other external assessments and create marking instructions that allow:

- a competent candidate to score a minimum of 50% of the available marks (the notional grade C boundary)
- a well-prepared, very competent candidate to score at least 70% of the available marks (the notional grade A boundary)

It's very challenging to get the standard on target every year, in every subject, at every level. Therefore, we hold a grade boundary meeting for each course to bring together all the information available (statistical and qualitative) and make final decisions on grade boundaries based on this information. Senior Qualifications Scotland staff normally chair these meetings.

Principal assessors use their subject expertise to evaluate the performance of the assessment and propose suitable grade boundaries based on the full range of evidence. We can adjust the grade boundaries as a result of the discussion at these meetings. This allows the pass rate to be unaffected in circumstances where there is evidence that the question paper or other assessment has been more, or less, difficult than usual.

- We can adjust the grade boundaries downwards if there's evidence that the question paper or other assessment has been more difficult than usual.
- We can adjust the grade boundaries upwards if there's evidence that the question paper or other assessment has been less difficult than usual.
- If levels of difficulty are comparable to previous years, we maintain similar grade boundaries.

Every year, we evaluate the performance of our assessments in a fair way, while ensuring standards are maintained so that our qualifications remain credible. To do

this, we measure evidence of candidates' knowledge and skills against the national standard.

For full details of the approach, please refer to the [Awarding and Grading for National Courses Policy](#).

How the course assessment performed

Question paper

The question paper performed as intended. Most candidates made a good attempt at all questions. There were no questions that appeared to present a significant challenge, or that impacted negatively on candidate performance.

Project

The project performed as expected. Most candidates made a good attempt at both aspects covered in the project assessment task. Most candidates scored similarly in the annual reports: application section and the International Accounting Standards (IAS): theory and application sections.

How candidates performed

Areas where candidates performed well

Question paper

Candidates performed steadily across all areas of the course that were assessed in the exam. Most candidates knew how to work out the Statement of Retained Earnings in question 1(b). Candidates performed well in the marginal and absorption costing question (question 2 PART A). Most candidates knew the layout and how to use the correct cost per unit for each statement when calculating inventories. Most candidates answered question 2 PART A (b) (Marginal Costing Statement) particularly well.

Candidates answered question 3 (Contract Costing) well. Most candidates knew the layout and were able to deal with the notes. Question 4(c) (Consolidated Statement of Financial Position) was answered well by candidates. Most candidates knew the layout and were able to gain marks even if they didn't answer question 4(a) and question 4(b) correctly.

Project

Annual reports: application

Candidates were able to give strengths and weaknesses of annual reports in general. They were also able to successfully evaluate the usefulness of the annual report from the perspective of two stakeholders, citing evidence from the relevant sections of the annual report of their chosen company.

International Accounting Standards: theory

Most candidates were able to complete this section of the project to a good standard and followed the candidate instructions clearly.

Conclusion

Most candidates were able to successfully draw conclusions which referenced the original quotes in the assessment task.

Areas where candidates did not perform well

Question paper

In question 1 (financial statements) some candidates missed out on marks in the working and in their Income Statement and Statement of Financial Position layout. Only some candidates knew how to deal with the sale of the asset properly and to work out the depreciation.

Question 2 PART B (variance analysis) was demanding and only some candidates were able to do this well. Many candidates did not gain marks as they used the wrong variance. There are now more past paper questions like this for them to practice.

Some candidates missed out on marks in the working for question 4(a) and question 4(b) (Consolidated Statement of Financial Position).

Project

Annual reports: application — analysis

Most candidates were able to identify what stakeholders may find interesting in the annual report, although there were a few candidates that were then unable to go on and analyse why this was the case. Candidates should provide more in-depth analysis as to why the piece of information is useful to stakeholders.

International Accounting Standards: application

Candidates who missed out on marks in this section tended not to engage in a detailed analysis of how the company being investigated correctly adopted the guidance in the relevant International Accounting Standard (IAS). Some candidates still opted to research standards which were not listed in the candidate guidance. This, in most cases, made the analysis and interpretation of their implementation much more difficult, as these standards are of a much more technical and complex nature. Therefore, a few candidates found it difficult to access the marks available in this part of the project.

Preparing candidates for assessment

Question paper

You should ensure that candidates are well prepared in all aspects of the course and that they have good recall of all relevant layouts and processes. It is also worth noting that, while theory questions represent a small proportion of the marks available, marks gained through accurate responses to theory-based questions could make a significant impact on a candidate's ability to attain a higher overall mark, perhaps even being the difference between grades. It is therefore recommended that you should encourage thorough preparation in this area of study. You could include theory questions in class tests to improve the quality of these answers.

If candidates use spreadsheets, they must clearly label the question number, for example in the footer. They must also make sure they show working in brackets. This can be the main reason candidates do not gain marks.

Candidates and teachers can refer to 'Top tips when using ICT in the question paper' which can be found under the 'Formulae and Course Support' heading on the Advanced Higher Accounting page on [our website](#).

As this is the highest level of qualification in Accounting, only the most accurate work will be rewarded with full, or near to full, marks. Candidates should also ensure that they provide clearly annotated workings, where applicable.

Project

Candidates who opted for a more obscure stakeholder, such as a supplier or customer, found accessing some marks challenging. Interrogating the annual report in enough depth to gain full, or close to full, marks was harder for these candidates than for those who opted to look at the report from the point of view of an employee or investor.

You should encourage candidates to think of questions, queries or concerns that a stakeholder may have, then go to the annual report to find the evidence they would need to allay or confirm their concerns. Highlighting areas of the annual report and writing the stakeholder next to the piece of information will make sure they don't miss

anything. Candidates should be encouraged to reference as they are going along too.

If contact time with candidates is restricted, you should set deadlines for discussions with candidates to check fundamental aspects of the task. These could include ensuring the company is on the FTSE100, and that word count and referencing requirements are met.

We have recently published an audio discussion on our Understanding Standards website that covers useful points for candidates and teachers to understand when planning and completing the project.

Topic-specific guidance

Published Financial Statements

Candidates must include appropriate headings and labels for both financial statements. They should refer to the suggested layouts on the Advanced Higher Accounting page on [our website](#).

Statement of Cash Flows

Candidates should ensure that any working is shown — particularly for operating profit, profit/loss on sale of assets, taxation and debenture finance cost.

If candidates use spreadsheets they should ensure they refer to the workbook to use the correct layout.

Basic Consolidated Statements of Financial Position

Candidates usually perform well in the statement part of the question. Candidates must clearly show their workings to make sure they gain all the available marks — this is often the reason why candidates do not gain marks.

Activity-based costing

Candidates should clearly show their working for the overhead cost per unit. Using a checklist of the steps involved — identify major activity, create cost pool for each activity, identify cost driver for each activity, produce absorption rate for each pool

based on cost driver, and overhead cost per unit will help them to remember how to calculate the total cost per unit.

Contract costing

Candidates usually perform well in this topic. However, some candidates did not gain marks because they had not learned their layout, for example they did not include Prime Cost, so it was not clear if they understood what this is.

Marginal and absorption costing

Candidates usually perform well in this topic. It is imperative that they know the differences between statements and how to calculate inventories and over/under absorbed in the Absorption Costing Statement.

Investment Appraisal — discounted cash flow

Candidates usually perform well in this topic. However, when there are adjustments to the cash flow it can cause them to miss out on marks. They must show their working.

Flexible budgets

Candidates should ensure that they have shown working, particularly for materials, labour and overheads.

Variance analysis

Candidates should ensure they refer to the formula sheet. You should enforce the working out of Standard Quantity for Production and Standard Hours for Production — Budgeted information x Actual units.

You should encourage candidates to use past papers and there are now more past paper questions on variance analysis available for study.