

Course report 2026

Higher Accounting, SCQF level 6

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: 1,275

Number of resulted entries in 2026: 1,425

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

Course award	Number of candidates	Percentage	Cumulative percentage	Minimum mark required
A	604	42.4	42.4	126
B	212	14.9	57.3	105
C	201	14.1	71.4	84
D	179	12.6	83.9	63
No award	229	16.1	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 assessed a wide range of topics however it proved more demanding than expected for 'C' candidates. Questions 1(a)(ii) and 3(a) did not function as intended. We adjusted grade boundaries to take account of this.

Assignment

The assignment performed as intended, with most candidates displaying a strong knowledge of all three topics assessed.

How candidates performed

Areas where candidates performed well

Question paper

Question 1(a) — Income Statement: many candidates performed well in this question, correctly adjusting figures for the items in the notes section where applicable.

Question 2 Part A — Inventory Record Card (AVCO): most candidates performed very well in this question. When candidates used the layout outlined in our past paper marking instructions they performed particularly well. Using this layout helped candidates provide all necessary information so they could access all available marks.

Question 2 Part C(a)(i)(ii)(iii) — Decision Making: most candidates coped well with the total machine hours calculation and the initial contribution per unit and total profit calculations.

Question 2 Part C(b)(i)(ii)(iii) — Decision Making based on a limiting factor: many candidates performed better than expected in this section. As the contribution per machine hour was specifically asked for in (b)(i), this allowed many candidates to gain more marks.

Assignment

Task 1(b)(i)(ii)(iii) — Overhead Analysis Statement and the re-apportionment of service department overheads: most candidates produced high quality overhead analysis statements and were able to re-apportion the service department overheads correctly. Many candidates also performed well in the calculation of overhead absorption rates.

Task 2(a) — Production Budget: most candidates correctly constructed a production budget.

Task 2(b) — Cash Budget: many candidates performed well in this spreadsheet task, using absolute cell references appropriately to gain marks.

Task 3(a) — Income Statement of a Partnership (appropriation section): most candidates performed well in this question.

Task 3(b) — Updating the Partnership Current Accounts: most candidates accurately updated each partner's current account based on figures calculated in the appropriation section of the Income Statement, as well as those provided in the question.

Task 3(c)(i)(ii) — Calculating the profit or loss on revaluation of assets and a new profit-sharing ratio: most candidates attempted both parts very well.

Task 3(c)(iii) — Calculating the new equity balances for each of the partners: many candidates knew exactly which items to include and how they should be treated.

Areas where candidates did not perform well

Question paper

Question 1(a)(ii) — Statement of Financial Position: many candidates displayed poor layout knowledge and a basic lack of understanding of assets and liabilities. In addition, many candidates also used inappropriate headings and labels.

Many candidates failed to insert the Investment and Goodwill values correctly in the third financial column of the Statement of Financial Position.

Although some candidates correctly displayed Debenture Finance Cost as an expense in the Income Statement, they omitted it from the Current Liabilities section of the Statement of Financial Position.

Some candidates appeared to not understand the change to the Provision for Doubtful Debts.

Some candidates did not include either the number of shares or share price in the Equity section of the Statement of Financial Position.

Many candidates did not know how to deal with the note regarding bonus shares.

Question 2 Part B(b) — Abnormal Loss Account: many candidates did not accurately complete this account, and a few candidates did not attempt it.

Question 2 Part C(b)(ii)(iii) and (c) — Decision Making, calculating a change in profit if a certain quantity of a product must be produced: most candidates found this question challenging and gained only one mark or did not attempt this question.

Question 3(b) — Calculating the cost per unit: some candidates did not attempt this question, and many who did, incorrectly divided the Market Value of Finished Goods instead of the Factory Cost of Production by the number of units.

All theory questions throughout the paper were generally poorly attempted. Many candidates only achieved minimal marks in theory questions, and some candidates made no attempt to respond to any theory questions.

Assignment

Task 1(a) — Calculation of a Factory-wide Overhead Absorption Rate: some candidates were unable to accurately carry out this calculation and a few candidates did not attempt this question.

Preparing candidates for assessment

Question paper

Practising past papers or individual past paper questions under timed conditions can help candidates considerably. Candidates should practise theory questions for each topic area as part of their preparation.

You should incorporate theory questions into timed questions and end of topic assessments. This should help to ensure candidates are better prepared and are able to tackle theory questions in the question paper.

You should ensure candidates know how long to spend on 20-mark and 40-mark questions. Candidates can answer questions in any order, so they should consider answering the questions they are most confident with first.

You should reinforce to candidates that there are four questions in total, with some questions containing several parts which assess different topics. Candidates should check that they have seen and attempted all questions.

Candidates can use the answer booklet landscape style rather than portrait style when setting out Overhead Analysis Statements, Inventory Record Card and Process Account responses.

- You should encourage candidates to indicate each question element in column A of the spreadsheet (if used). This column should be narrowed for this purpose.
- If using spreadsheets, candidates must display any workings in brackets. Many candidates lose out on marks, due to incorrect responses not being backed up by worked calculations.
- If candidates use spreadsheets for the question paper or tasks 1 and 3 of the assignment, they should not provide formula printouts. The only formula printout to be reviewed by markers will be task 2 of the assignment.
- Candidates must ensure their spreadsheet printouts include all parts of each response and are not truncated. They should also check that their printouts are clear and easily read.

- You should teach candidates the most appropriate page format, for example, portrait for financial statements and landscape for Inventory Valuation when printing spreadsheet work.
- Teachers and candidates should refer to the 'Top tips for using ICT' document available under the Formulae and course support heading on the Accounting page of [our website](#).

Assignment

Task 2 — Spreadsheet task: Candidates **must** use cell references where applicable and replicate formula. There are 12 marks associated with this. Only occasionally should candidates need to key in figures from scratch into a formula.

Task 2 — Spreadsheet task: Candidates must ensure their formula view printout fully displays each formula and is not truncated.

Topic-specific guidance

Income Statement and Statement of Financial Position of a plc

Candidates must include appropriate headings and labels for both financial statements. Candidates should follow the layouts illustrated in the 'Suggested layouts for financial statements in National 5 and Higher Accounting courses' document on [our website](#). Past paper marking instructions also illustrate acceptable layouts.

The abbreviation of terminology should be discouraged within these financial statements, for example Add Carr In. Candidates are expected to display all terms in full, when constructing a financial statement.

You should reinforce to candidates that trial balance items are only included in one financial statement and not both.

In the Statement of Financial Position — the value of Investments and Goodwill should only be displayed in the third financial column of the Statement of Financial Position. Candidates will not gain marks if they fail to do this.

In the Statement of Financial Position — when displaying equity information, the number of shares and/or the share price must be displayed, for example, 360,000 Ordinary Shares @ £1 to gain the marks.

Inventory Valuation

The inventory record card heading must include the item of inventory the card relates to, for example Material Xen. The name of the business is not required. Candidates must include a 'Date' and 'Details' column. They must also show 'Quantity', 'Price', and 'Value' for all receipts, issues, and balance entries. Omitting this necessary information severely disadvantages candidates, resulting in the loss of marks. Our marking instructions illustrate the recommended layout.

Process and Abnormal Loss Accounts

Both the process account and abnormal loss account must begin with an appropriate heading. Also, each 'Inputs', 'Outputs', and 'Balance' section OR 'Dr', 'Cr' and 'Balance' section must contain 'Qty', 'CPU', and '£' to ensure all available marks are attainable. Our marking instructions show the most appropriate layout for these accounts.

The first entry in an Abnormal Loss Account must show where the loss occurred, for example Process 2 and not the words Abnormal Loss.

Decision Making

When the selling price of a product has changed, candidates should clearly show the new contribution per unit for the product, followed by its contribution per limiting factor. Although candidates may struggle to fully answer this type of decision-making question, these basic calculations will gain marks.

Manufacturing Accounts

Candidates must include appropriate headings and labels. Our marking instructions illustrate the recommended layout, as well as the required heading and labels for this financial statement.

Candidates should not abbreviate terms, for example Opening inventory of rm. As this is a financial statement, terms must be shown in full.

If candidates are required to calculate a cost per unit, they should divide their Factory Cost of Production by the number of units stated in the question.

Investment Appraisal

Candidates should be comfortable in using a variety of methods of depreciation calculation to then calculate the profit for each project. The most common methods are a % of the cost of the project and the (initial investment – residual value)/number of years.

Candidates should clearly show all calculations for both ARR and Payback. The payback period must always be rounded **up** to the nearest whole day.

Overhead Analysis

Candidates must include an appropriate heading, for example Overhead Analysis Statement or Overhead Analysis Sheet. If candidates don't include a heading they will not gain the one available mark.

Partnership Accounts

Income Statement (appropriation section): Candidates must include an appropriate heading and labels. Candidates should follow the layouts illustrated in the 'Suggested layouts for financial statements in National 5 and Higher Accounting courses' document on [our website](#). Past paper marking instructions also illustrate acceptable layouts.

Candidates should write all terms in full in partnership financial statements.

Interest on Loan to a partner is an expense and is not part of the appropriation section of an Income Statement. The interest will also be credited to the partner's current account.

Current Accounts should always have Date, Details, Dr, Cr and Balance column headings.

New Equity Account balances — candidates do not need to display information in ledger format. Please refer to 2025 marking instructions, question 2(b)(iii) for guidance. The Current Account balance should only be included within the new Equity Account balance if the question specifically instructs candidates to do so.

Production Budget and Cash Budget

Candidates must include appropriate headings and labels in both budgets. In the case of the cash budget, candidates should use the terms 'receipts' and 'payments' or 'cash in' and 'cash out'. Candidates will always be assessed in the calculation of credit sales for one month and two months in a cash budget at Higher level.