

SQA Advanced Diploma in Business with Accounting

GM52 48

Course Tutor Guide (International)

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Acknowledgement

SQA acknowledges the valuable contribution that Scotland's colleges have made to the development of SQA Advanced Qualifications.

Further information

Call SQA's Customer Contact Centre on 00 44 141 500 5030 or 0345 279 1000.

Alternatively, complete our [Centre Feedback Form](#).

Equality and inclusion

The Unit specifications making up this Group Award have been designed to ensure that there are no unnecessary barriers to learning or assessment. The individual needs of learners will be taken into account when planning learning experiences, selecting assessment methods or considering alternative evidence.

Further advice can be found on our website www.sqa.org.uk/assessmentarrangements

History of changes

It is anticipated that changes will take place during the life of the qualification and this section will record these changes. Centres are advised to check SQA's APS Navigator to confirm they are using the up-to-date qualification structure.

NOTE: Where a Unit is revised by another Unit:

- ◆ No new centres may be approved to offer the Unit which has been revised.
- ◆ Centres should only enter students for the Unit which has been revised where they are expected to complete the Unit before its finish date.

Version number	Description	Date
07	Update to Professional Body Recognition (CIMA) Unit update: J4DK 47 Managing People and Organisations - Core Skills updated	22/10/20
06	Revision of unit: HP71 47 Managing People and Organisations (finish date 31/7/2024) has been replaced by J4DK 47 Managing People and Organisations (start date 01/08/2020). Centres may continue to enter students on HP71 47 but all students must have completed and results submitted for the unit by no later than 31/07/2024	31/08/20
05	Revision of unit: HP6T 47 Economic Issues: An Introduction (finish date 31/7/2024) has been replaced by J461 47 Economic Issues: An Introduction (start date 01/08/2020). Centres may continue to enter students on HP6T 47 but all students must have completed and results submitted for the unit by no later than 31/07/2024	2/6/20
04	Revision of unit: HP6V 48 <i>Statistics for Business</i> (finish date	14/04/20

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Version number	Description	Date
	31/7/2022) has been replaced by J45Y 47 <i>Statistics for Business</i> (start date 01/08/2019). Centres may continue to enter students on HP6V 48 but all students must have completed and results submitted for the unit by no later than 31/07/2022	

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03	Update to professional body recognition	14/01/19
02	Revision of Unit: HP6W 48 <i>Behavioural Skills for Business</i> (finish date 31/07/2021) has been replaced by J1E5 48 <i>Behavioural Skills for Business</i> (start date 01/08/2018). Centres may continue to enter students on HP6W 48 but all students must have completed and results submitted for the unit by no later than 31/07/2021.	26/10/18

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1 Introduction

1.1 Purpose of Course Tutor Guide

This Guide is aimed at staff in SQA Approved Centres who are responsible for the SQA Advanced Diploma in Business with Accounting. It will assist you in the delivery, assessment and internal verification by providing information on setting up a course, the course framework, centre support with course delivery, teaching plans and guidance on assessment of the Units within the course. It also provides information about Core Skills, Graded Units, Quality Assurance and Verification.

2 Setting up the course

As part of the approval process, centres are expected to have internal processes for liaising with appropriate parties. Liaison with SQA is normally via the centre's SQA Co-ordinator.

It is recommended that a Course Team is set-up by the Institution/Department appointed to oversee the delivery of the course. The Course Team should comprise of all tutors teaching on the course and one tutor should be nominated as Course Team Leader.

The Course Team would have the responsibility for overseeing the quality of delivery on the course and to ensure that academic standards are maintained. The Course Team would also be responsible for monitoring student progress and determining the support required for individuals who are not progressing well.

The Course Team should meet to discuss matters relating to course delivery, assessment and internal verification on a regular basis (usually two/three times a year) to ensure that any action points are achieved and that the course is delivered efficiently and effectively. It is good practice to maintain a record of such meetings to ensure that any action points are noted and accomplished. This will benefit centres and their students by ensuring that all students achieve their full potential while maintaining the appropriate standards.

It is good practice for centres to maintain a library of master folders for each of the Units within the course — these may be stored electronically as long as all relevant staff have access to them as and when required. Electronic files on a secure part of the centres network/intranet are particularly appropriate if the award is delivered across different campuses allowing all tutors to access the most up-to-date materials wherever they are located.

The master folders should contain Unit specifications, teaching materials (including details of learning, teaching and assessment plans; and if appropriate, details of any integration across Units of either teaching or assessment), Assessment Support Packs and re-assessments. This enables new members of staff to access this valuable resource prior to, and during, delivery of the course.

It is good practice for tutors to familiarise themselves with the Units and specific requirements of the assessments prior to the start of the course. Unit specifications set out the statement of standards and evidence required for achieving each Unit, along with guidance on content and assessment. Assessment Support Packs provide an instrument of assessment for each Unit and suggested marking scheme.

Assessment Support Packs must be kept secure at all times. In the case of assessments conducted under closed-book and/or supervised conditions, students are not permitted to remove any assessment instruction or their responses from the class. For open-book assessments, students are not permitted to share their responses with others.

All tutors delivering this course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

3 The SQA Advanced Diploma Structure

3.1 General SQA Advanced Diploma Qualification Framework

To be awarded an SQA Advanced Diploma, the student is required to achieve **30 SQA Credits** with a mixture of SCQF level 7 and Level 8 Units.

Each Unit is assigned a **SQA Credit value** of either 1 or 2. This credit value is based approximately on 80 hours of study per credit which consists of 40 hours of structured learning and a further 40 hours of student led study to consolidate and reinforce learning.

Each Unit is also assigned a **Scottish Credit and Qualifications Framework (SCQF) level and credit point value**. (See below for further details regarding the SCQF).

Each Unit is assigned an agreed number of SCQF credit points. One point represents a notional 10 hours of study by the student at the identified level.

3.1.1 The Scottish Credit and Qualifications Framework (SCQF)

The SCQF has 12 levels ranging from National 1 at SCQF level 1, up to Doctorate at level 12. The different levels indicate the level of difficulty of a particular qualification and the difference between levels is dependent on factors such as:

- ◆ the complexity and depth of knowledge and understanding
- ◆ links to associated academic, vocational or professional practice
- ◆ the degree of integration, independence and creativity required
- ◆ the range and sophistication of application/practice
- ◆ the role(s) taken in relation to other learners/workers in carrying out tasks

3.1.2 SCQF level Descriptors

The SCQF level Descriptors outline the general outcomes of learning at SCQF levels under five broad headings:

- ◆ Knowledge and understanding (mainly subject based)
- ◆ Practice (applied knowledge and understanding)
- ◆ Generic cognitive skills (eg evaluation, critical analysis)
- ◆ Communication, numeracy and IT skills
- ◆ Autonomy, accountability and working with others

The Descriptors allow broad comparisons to be made between the outcomes of any learning and allow students, employers and the public in general to understand the range of skills and learning that should be achieved at each level. SCQF levels are increasingly used in job advertisements to help employers articulate the skills they require for a particular role and to help potential employees to highlight their skills thus ensuring the right person gets the right job.

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For SQA Advanced Diploma courses each Unit is also assigned an SCQF level. These levels indicate the degree of difficulty of the work for that Unit.

SCQF level 6 is approximately equivalent to sixth year of compulsory secondary education. SCQF level 7 is approximately equivalent to first year of degree level study and SCQF level 8 is approximately equivalent to second year of degree level study.

SCQF level 7 might be the level of an introductory Unit in a subject area and SCQF level 8 the level of the continuing Unit.

Tutors involved in the delivery and assessment of Units would find the SCQF level descriptors helpful in determining the appropriate level of difficulty/complexity required. For example:

The Unit *Recording Financial Information* (HP04 47) has an **SQA Credit value of 1**. This represents 80 hours of teaching and learning.

These 80 hours equal **8 SCQF points** (1 point = 10 hours of learning) at **SCQF level 7**.

The Unit *Financial Reporting and Analysis* (HP08 48) follows on from 'Recording Financial Information' and has an **SQA Credit value of 2**. This represents 160 hours of teaching and learning.

These 160 hours equal **16 SCQF points** at **SCQF level 8**.

This means that students will take longer to study this Unit and the Unit progresses their learning to a higher level.

3.2 Core Skills

The Core Skills are a group of five skills that are key to learning and working in today's world. Employers have identified Core Skills as those that are most likely to be needed in any work environment. This does not mean that every job will need people who are proficient in all five Core Skills but it does mean that every job will require some level of ability in some or all of these skills.

The five Core Skills are: *Communication*, *Numeracy*, *Information and Communication Technology (ICT)*, *Problem Solving* and *Working with Others*. Each Core Skill is available at levels 2 to 6 of the Scottish Credit and Qualifications Framework (SCQF). A brief description of each Core Skill is detailed below. A fuller description of each Core Skill at the SCQF levels 2-6 is available on the SQA's website — www.sqa.org.uk/international

3.2.1 Communication

Communication skills underpin almost all personal, social, learning, and working activity. They are essential in clarifying one's own thoughts, in interacting and

conversing with others, in expressing thoughts and in conveying information, feeling and opinions.

The Core Skill in *Communication* has two components:

- ◆ Oral Communication
- ◆ Written Communication

3.2.2 Numeracy

Numeracy skills are necessary for coping with the demands of everyday life, including work and study. People need to be comfortable with numbers, and with graphs, symbols, diagrams and calculators.

The Core Skill in *Numeracy* has two components:

- ◆ Using Graphical Information
- ◆ Using Number

3.2.3 Information and Communication Technology (ICT)

Information and Communication Technology (ICT) focuses on the ability to use Information Technology (IT) to process information in ways which will be useful in work and in the home — it is not about developing IT specialists.

The Core Skill in *Information and Communication Technology (ICT)* has two components:

- ◆ Accessing Information
- ◆ Providing/Creating Information

3.2.4 Working with Others

Working with Others develops the skills needed to co-operate with others in learning and working situations to identify and achieve shared goals.

The Core Skill in *Working with Others* has two components:

- ◆ Working Co-operatively with Others
- ◆ Reviewing Co-operative Contribution

3.2.5 Problem Solving

Problem Solving develops the skills needed for tackling issues and problems in personal, social, vocational and occupational contexts.

The Core Skill in *Problem Solving* has three components:

- ◆ Critical Thinking
- ◆ Planning and Organising
- ◆ Reviewing and Evaluating

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A table illustrating where Core Skills and Core Skills components are signposted (opportunities to achieve identified) and embedded (achievement is automatically certificated) within the SQA Advanced Diploma in Business with Accounting is provided in Appendices 2a and 2b.

3.3 Graded Units

In the framework of every SQA Advanced Diploma there are 3 SQA Credits of Graded Unit. There are Graded Units built into the framework towards the latter part of Year 1 and Year 2. Depending on the SQA Advanced Diploma, there may be three individual Graded Units of 1 SQA Credit or there may be two Graded Units, a 1-credit and a 2-credit. The purposes of Graded Units are to:

- ◆ demonstrate that the student has achieved the principal aims of the Group Award
- ◆ demonstrate the student's ability to integrate the knowledge and understanding gained from other Units making up the Group Award
- ◆ grade student performance

Graded Units are specific to the Group Award being delivered, and reflect the principal aims of that Group Award. This means that they will also clearly reflect the uniqueness of the title of the Group Award.

The allocation of grades awarded are as follows:

- ◆ Grade A — Student has achieved a mark of 70% or above
- ◆ Grade B — Student has achieved a mark of between 60% and 69%
- ◆ Grade C — Student has achieved a mark of between 50% and 59%
- ◆ F (Fail) — Student has failed to reach the required standard and achieved a mark less than 50%

4 SQA Advanced Diploma in Business with Accounting

4.1 Target audience

The SQA Advanced Diploma in Business with Accounting develops skills and knowledge in a range of business, information processing, management, problem solving, information and communication technology with a strong focus on financial and management accounting. The award develops specialist accounting skills for those who wish to take up a career in accounting or financial administration within a wide range of business organisations.

The SQA Advanced Diploma in Business with Accounting is designed to lead to employment in a number of business or accounting-related positions such as accounts assistant, finance assistant, accounts supervisor, accounts technician, financial or management accountant.

Successful students should be able to progress to a range of degrees.

The SQA Advanced Diploma in Business with Accounting may allow students to progress to qualifications offered by professional bodies, such as the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA). Refer to Appendix 4 – **Professional Body Recognition** – for more detailed information.

4.2 Access to the course

As with all SQA qualifications, access will be at the discretion of the centre and the following recommendations are for guidance only. It should be noted that this qualification will be taught and assessed in English.

Some examples of appropriate formal entry qualifications are specified below. They are not exhaustive or mutually exclusive and may be offered in a variety of combinations.

- ◆ An appropriate level of skill in the English language
- ◆ Experience in the use of IT applications software
- ◆ Different combinations of relevant National Qualifications, Vocational Qualifications and equivalent qualifications from other awarding bodies may be acceptable, as would suitable industry standard qualifications at an appropriate level
- ◆ Mature students with suitable work experience will be accepted for entry provided the enrolling centre believes that the student is likely to benefit from undertaking the SQA Advanced Diploma

4.3 Aims of the course

The SQA Advanced Diploma in Business with Accounting has a range of aims relating to academic and vocational progression. These are to:

- 1 Develop suitable competencies to enter a range of administrative, commercial or managerial accounting-related positions.
- 2 Develop student competencies in a broad range of business areas with a strong focus on book-keeping, financial and management accounting.
- 3 Prepare students for progression to degree courses delivered by universities.
- 4 Develop skills for independent, life-long learning.
- 5 Develop and enhance transferable skills for employability and Core Skills.
- 6 Develop and enhance transferable skills in planning, organising, critical and evaluative thinking and enable the student to investigate business issues and problems in depth.
- 7 Develop intrapersonal and interpersonal skills relevant to a range of administrative, commercial or managerial positions in business and finance.
- 8 Develop communication and presentation skills.
- 9 Adopt an innovative and creative approach to their work and be able to respond quickly to challenges posed by changes in the business environment.
- 10 Develop the ability to work flexibly and co-operatively with others.

4.4 SQA Advanced Diploma in Business with Accounting Framework

The table below shows the whole framework of Units for the SQA Advanced Diploma in Business with Accounting and includes their SQA Credit value and SCQF level.

Unit title	Unit code	Credit value	SCQF level
YEAR 1			
Business Accounting	HP7K 47	2	7
Business Law: An Introduction	HP6Y 47	1	7
Communication: Business Communication	HP75 47	1	7
Creating a Culture of Customer Care	HP73 47	1	7
Economic Issues: An Introduction	J461 47*	1	7
Economics 1: Micro and Macro Theory and Application	HP6P 48	1	8
Information Technology: Applications Software 1	HP6L 47	1	7
IT in Business: Spreadsheets	HP78 47	1	7
Managing People and Organisations	J4DK 47*	2	7
Marketing: An Introduction	HP6N 47	1	7
Recording Financial Information	HP04 47	1	7
Preparing Financial Forecasts	HP70 48	1	8
Business with Accounting: Graded Unit 1	HP06 47	1	7
YEAR 2			
Behavioural Skills for Business	J1E5 48*	1	8
Business Contractual Relationships	HP6X 47	1	7
Business Culture and Strategy	HP6R 48	2	8
Company Law: An Introduction	HP7J 48	1	8
Economics 2: The World Economy	HP72 48	1	8
Financial Reporting and Analysis	HP08 48	2	8
Information and Communication Technology in Business	HP7A 48	2	8
Management Accounting for Decision Making	HP05 48	2	8
Statistics for Business	J45Y 47*	1	7
Business with Accounting: Graded Unit 2	HP07 48	2	8

*Refer to History of Change for information

4.5 Core Skills

All of the revised Units within this award have been assessed and validated against the Core Skills 2013 framework.¹.

Successful students will exit from the SQA Advanced Diploma in Business with Accounting with the following Core Skills profile:

Core Skill	Certificated exit level
Communication	SCQF level 6
Numeracy	SCQF level 6
Information and Communication Technology (ICT)	SCQF level 6
Problem Solving	SCQF level 6
Working with Others	No automatic certification, but opportunities for development arise in learning activities across the whole SQA Advanced Diploma

A table illustrating where Core Skills and Core Skills components are signposted and embedded within the SQA Advanced Diploma in Business with Accounting is provided in Appendices 2a and 2b.

4.6 Graded Unit

Students will take a 1-credit Graded Unit at SCQF level 7 in the first year of the SQA Advanced Diploma, and a further 2-credit Graded Unit at SCQF level 8 in the second year of the Group Award.

The Graded Units take the form of:

Business with Accounting: Graded Unit 1 (HP06 47) Examination at SCQF level 7 — 1 SQA Credit

Business with Accounting: Graded Unit 2: (HP07 48) Project (Investigation) at SCQF level 8 — 2 SQA Credits

Further details are provided in Section.8.3.

¹ Core Skills Framework: an introduction (SQA, Glasgow, 2013)

5 Course delivery of an SQA Advanced Diploma

5.1 How the course is delivered

All tutors must ensure that they deliver this course using teaching methods that engage students in 'active learning' to encourage them to participate in the learning activities set. All SQA qualifications are designed to enable students to develop their knowledge and skills and then they are required to apply this new knowledge/skill to a new situation. Criterion-referenced assessments assume that all parties are fully informed of the criteria that students must achieve and the assessment conditions under which the students carry out the assessment activity.²

To ensure that students are fully prepared it is essential that tutors provide as many opportunities as possible for students to be actively engaged throughout the learning process. Students should:

- ◆ be fully informed of the criteria they must achieve
- ◆ be offered a range of learning activities to research, analyse and apply new knowledge/skills to new situations
- ◆ be offered opportunities to experience the type of activity that they will be required to carry out as part of the summative assessment
- ◆ be able to critically evaluate their personal contribution and to receive feedback from the tutor/lecturer on how to enhance their understanding

Tutors should develop a learning, teaching and assessment plan for each Unit within the course and provide activities that students should undertake.

Each Unit should have a master folder containing the Unit specification, teaching materials, the teaching and assessment plan along with Assessment Support Packs and re-assessments. The teaching materials and teaching plan should provide details of activities that students should undertake. Typically they include activities such as small group/whole class discussion, group problem solving, eg analysing a case study and offering solutions based on the new learning, group project work to find examples, to research new knowledge and to present their findings to their fellow students.

The following is a list of learning activities but it is not exhaustive:

- ◆ Lectures
- ◆ Tutorials
- ◆ Study packs
- ◆ Practical exercises
- ◆ Problem based scenarios
- ◆ Case studies
- ◆ Group/team work

² For further information about different assessment activities — whether they be for formative or summative purposes, tutors may wish to complete the SQA Academy course *Produce HN Assessments for successful prior verification* (<https://www.sqaacademy.org.uk>) and/or read SQA's *Guide to Assessment* (Pub code AA4147 <http://www.sqa.org.uk>)

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- ◆ Online materials
- ◆ IT based teaching materials
- ◆ Projects
- ◆ Quizzes
- ◆ Research and presentation of findings to fellow students
- ◆ Role play
- ◆ Short response questions, multiple choice questions
- ◆ Create questions for other learners with answers

Tutors should consider the nature of the assessment method as well as the assessment content when planning learning activities so that students are appropriately prepared.

It is the tutor's responsibility to explain to the students what is required of them and then to direct, encourage, co-ordinate and support students to complete the activity. It is also the tutor's responsibility to ensure the resources needed are available to the students. Materials should be reviewed on a regular basis to ensure they are still relevant.

Some activities could require students to work in pairs or small groups to discuss issues or to solve a given problem. Other activities could require the student to undertake some independent research outside the classroom and to bring their findings to the next lesson and present this to the class in a report or presentation format. Some Units will require the student to undertake independent reading and students should be prepared to discuss key issues within the classroom as organised and led by the tutor.

In practical skills classes, students should be directed to use practice exercises to enable them to become proficient. Tutors may demonstrate the skill first and then coach the students individually when unsure. In terms of developing independent learners, in the case of information technology, students should be encouraged to independently use the online help facilities within applications. It should be noted that even in practical classes, students should be encouraged to work in small groups and to support one another as part of the learning process — by explaining to another, a student has to reformulate and communicate the learning point thus deepening their learning.

When undertaking group work, students should be encouraged/directed to work with different groups each time they attempt a new task so that they get to know and work with a wide range of individuals. The groups should be given clear task activities. Tutors should note the various roles assigned to the group members and they should set a time limit for the completion of the task.

At the end of each activity tutors should make time to receive feedback from each group so that they can assess knowledge and understanding and use the feedback session to repeat important key points and to clear up any misunderstandings. Tutors must also provide feedback to students on their performance in activities, etc.

Where centres have access to electronic resources such as Virtual Learning Environments, Blogs, Wikis, etc — tutors/lecturers are encouraged to use these collaborative tools in the learning process.

As students work through each Unit in the course, they will be expected to:

- ◆ listen to instructions given to them by their tutors
- ◆ listen to exposition and lessons given by their tutors
- ◆ read materials as directed by their tutors
- ◆ participate in a range of practical exercises and activities including case studies, extended response and short response questions, research and presentation
- ◆ carry out these tasks either individually, in pairs, small groups or whole class
- ◆ test their own knowledge and understanding by completing self-assessed questions where the answers are provided (where appropriate)
- ◆ test their own knowledge and understanding by completing activities and submitting them to their tutors for feedback
- ◆ receive feedback from tutors on activities that have been reviewed
- ◆ reflect on their own learning and identify areas to develop

5.2 Support for students

All tutors delivering on a course have a collective responsibility to ensure that all students are supported in a manner that meets their individual needs as they progress through the course.

Each individual tutor has a role to monitor an individual student's understanding and progress at Unit level and feed comments to the Course Team. At individual Unit level, tutors may wish to use a range of mechanisms to support learners and to establish if students are progressing well on the course.

6 SQA Advanced Diploma in Business with Accounting course delivery

6.1 Teaching plan

The Units that make up this Group Award are listed in Section 6.2 — **Overview of Units**.

This Section — **Teaching plan** — provides a **suggested** delivery schedule for the Units and highlights the best way to sequence the Units over two years.

When constructing this teaching plan consideration was given to the following points:

- ◆ Year 1 contains Units which are mainly at SCQF level 7.
- ◆ Year 2 contains Units which are mainly at SCQF level 8 and there should be a natural progression from some of the Units delivered in Year 1 to those being delivered in Year 2.
- ◆ Some Units are 2-credit and thought must be given as to whether the Unit should be covered in one semester or across the whole year.
- ◆ Finally, the Graded Units completed at the end of Years 1 and 2 are based on some of the mandatory Units. The Units being assessed as part of the Graded Unit, must be delivered and assessed to ensure that sufficient learning has taken place to enable the students a fair opportunity at achieving the Graded Unit at an appropriate grade.

Students will study 15-credits worth of Units in each year. The weighting of these Units will depend on the relationship of the relevant Unit with other Units in terms of prior knowledge needed and/or complementary knowledge.

Rationale for the suggested delivery schedule

Two suggested delivery schedules have been given for Year 1 and Year 2 of SQA Advanced Diploma in Business with Accounting — Option A and Option B.

The majority of the SCQF level 7 Units have been included in Year 1, so that students are provided with introductory knowledge and understanding of the main business areas — accounting, economics, information technology, communication and marketing.

The majority of the Units in Year 2 are SCQF level 8 Units that will develop the knowledge and understanding gained in Year 1. Students will be able to extend their management skills through the study of organisational culture and business strategy and focus on their selected specialism of accounting.

6.1.1 Year 1: Suggested delivery schedule

YEAR 1 — OPTION A

Semester 1	Semester 2
Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits	Business Law: An Introduction (HP6Y 47) — SCQF level 7, 1 SQA Credit
Communication: Business Communication (HP75 47) — SCQF level 7, 1 SQA Credit	Creating a Culture of Customer Care (HP73 47) — SCQF level 7, 1 SQA Credit
Economic Issues: An Introduction (J461 47) — SCQF level 7, 1 SQA Credit	Economics 1: Micro and Macro Theory and Application (HP6P 48) — SCQF level 8, 1 SQA Credit
Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit	IT in Business: Spreadsheets (HP78 47) — SCQF level 7, 1 SQA Credit
Managing People and Organisations (J4DK 47) — SCQF level 7, 2 SQA Credits	Preparing Financial Forecasts (HP70 48) — SCQF level 8, 1 SQA Credit
Marketing: An Introduction (HP6N 47) — SCQF level 7, 1 SQA Credit	Recording Financial Information (HP04 47) — SCQF level 7, 1 SQA Credit
	Business with Accounting: Graded Unit 1 (HP06 47) — SCQF level 7, 1 SQA Credit
6 Units studied: 6 at SCQF level 7 (8 credits completed)	7 Units studied: 5 at SCQF level 7, 2 at SCQF level 8 (7 credits completed)

Rationale for Year 1 (Option A)

Semester 1 focuses on delivering two key elements of the course:

- ♦ Units developing the student's Core Skills in *Communication* and *Information and Communication Technology (ICT)*, and
- ♦ the Units containing the underpinning knowledge for *Business with Accounting: Graded Unit 1* undertaken in Semester 2

Communication: Business Communication (HP75 47) is a Unit which should be studied early in Semester 2. It covers reading and understanding business materials together with producing well-structured written reports and therefore prepares the students for progression in the course.

Information Technology: Applications Software 1 (HP6L 47) focuses on operating a range of IT equipment and using a range of software application packages. For example, using Microsoft Office's Word, Excel, PowerPoint, Publisher, Access, Outlook and the Internet. Again these skills will prove beneficial to the students as they progress through the other Units in the course.

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The underpinning knowledge and skills for *Business with Accounting: Graded Unit 1* (HP06 47) are contained within *Business Accounting* (HP7K 47), *Marketing: An Introduction* (HP6N 47), *Economic Issues: An Introduction* (J461 47) and *Managing People and Organisations* (J4DK 47). Therefore these Units are best delivered in Semester 1 such that students are fully knowledgeable and prepared for studying and revising for the Graded Unit in Semester 2. Further this suite of Units provides a good introduction to the broad nature of the *SQA Advanced Diploma in Business with Accounting* course as they introduce the students to accounting, marketing, economics and management.

There are six Units in Semester 1 contributing 8 credits towards the SQA Advanced Diploma course. All credits are at SCQF level 7.

Semester 2 provides a progression from Semester 1 for many subject areas. Students study 2 credits of accounting in Semester 1, as detailed above, and continue with a further 2 credits in Semester 2 in the subjects *Recording Financial Information* (HP04 47) and *Preparing Financial Forecasts* (HP70 48). Similarly *Economics 1: Micro and Macro Theory and Application* (HP6P 48) provides progression from the introductory Unit *Economic Issues: An Introduction* (J461 47) in Semester 1; and *IT in Business: Spreadsheets* (HP78 47) is a specialist IT Unit following on from the general IT Unit *Information Technology: Applications Software 1* (HP6L 47) in Semester 1. This spreadsheet Unit is particularly important for Business with Accounting students as development of skills required for the workplace.

Semester 2 introduces a further area of study: *Business Law: An Introduction* (HP6Y 47).

The *Business with Accounting: Graded Unit 1* (HP06 47) exam takes place towards the end of Semester 2 following a period of revision and consolidation of knowledge. With this suggested delivery schedule all underlying Units will be complete at the end of Semester 1 and students are provided with the maximum advantage for revision and preparation for the exam.

There are seven Units in Semester 2 contributing 7 credits towards the SQA Advanced Diploma course. Five credits are at SCQF level 7 and 2 credits are at SCQF level 8 which will start to prepare students for progression to Year 2 of the course.

Key features of Year 1 (Option A)

- ◆ all subjects for Graded Unit 1 completed in Semester 1
- ◆ helps students to focus and builds on confidence and motivation through earlier completion of 2-credit Units
- ◆ more time in Graded Unit 1 to focus on exam techniques

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YEAR 1 — OPTION B

Semester 1	Semester 2
Business Accounting (HP7K 47) — SCQF level 7, 2 SQA Credits	
Managing People and Organisations (J4DK 47) — SCQF level 7, 2 SQA Credits	
Recording Financial Information (HP04 47) — SCQF level 7, 1 SQA Credit	Preparing Financial Forecasts (HP70 48) — SCQF level 8, 1 SQA Credit
Communication: Business Communication (HP75 47) — SCQF level 7, 1 SQA Credit	Creating a Culture of Customer Care (HP73 47) — SCQF level 7, 1 SQA Credit
Economic Issues: An Introduction (J461 47) — SCQF level 7, 1 SQA Credit	Economics 1: Micro and Macro Theory and Application (HP6P 48) — SCQF level 8, 1 SQA Credit
Information Technology: Applications Software 1 (HP6L 47) — SCQF level 7, 1 SQA Credit	IT in Business: Spreadsheets (HP78 47) — SCQF level 7, 1 SQA Credit
Marketing: An Introduction (HP6N 47) — SCQF level 7, 1 SQA Credit	Business with Accounting: Graded Unit 1 (HP06 47) — SCQF level 7, 1 SQA Credit
Business Law: An Introduction (HP6Y 47) — SCQF level 7, 1 SQA Credit	
8 Units: 8 at SCQF level 7 (6 credits completed, 2 Units partially completed)	7 Units: 5 at SCQF level 7, 2 at SCQF level 8 (9 credits completed)

Rationale for Year 1 (Option B)

Option B spreads the 2-credit Units *Managing People and Organisations* (J4DK 47) and *Business Accounting* (HP7K 47) over two semesters. The advantage of this is that it can assist students with the completion of their Graded Unit as tutors can integrate teaching and students will have better retention of information.

The prominence of open-book assessment and infrequency of examinations in many Units means students may need more practice in exam techniques. Tutors should need less time for revision and be able to focus more on exam technique and study skills.

Students are introduced to a wider range of subjects with *Business Law: An Introduction* (HP6Y 47) and *Recording Financial Information* (HP04 47) being included in Semester 1.

Key features of Year 1 (Option B)

- ♦ allows introduction of more subjects in Semester 1
- ♦ variety may increase student motivation
- ♦ able to integrate teaching with Graded Unit 1
- ♦ more time in Graded Unit 1 to focus on exam techniques
- ♦ fewer Units completed in Semester 1

6.1.2 Year 2: Suggested delivery schedule

YEAR 2 — OPTION A

Semester 1	Semester 2
Behavioural Skills for Business (J1E5 48) — SCQF level 8, 1 SQA Credit	Company Law: An Introduction (HP7J 48) — SCQF level 8, 1 SQA Credit
Business Contractual Relationships (HP6X 47) — SCQF level 7, 1 SQA Credit	Financial Reporting and Analysis (HP08 48) — SCQF level 8, 2 SQA Credits
Business Culture and Strategy (HP6R 48) — SCQF level 8, 2 SQA Credits	Management Accounting for Decision Making (HP05 48) — SCQF level 8, 2 SQA Credits
Economics 2: The World Economy (HP72 48) — SCQF level 8, 1 SQA Credit	Business with Accounting: Graded Unit 2 (HP07 48) — SCQF level 8, 2 SQA Credits
Information and Communication Technology in Business (HP7A 48) — SCQF level 8, 2 SQA Credits	
Statistics for Business (J45Y 47) — SCQF level 7, 1 SQA Credit	
6 Units studied: 1 at SCQF level 7, 5 at SCQF level 8 (8 credits completed)	4 Units studied: 4 at SCQF level 8 (7 credits completed)

Rationale for Year 2 — Option A

Under this option, Semester 1 again focuses on delivering all the Units containing the underpinning knowledge and skills required by the students to prepare them for undertaking the 2-credit Graded Unit project investigation in Semester 2.

The underpinning knowledge and skills for *Business with Accounting: Graded Unit 2* (HP07 48) are contained within *Business Culture and Strategy* (HP6R 48), *Information and Communication Technology in Business* (HP7A 48), *Economics 2: The World Economy* (HP72 48), *Behavioural Skills for Business* (J1E5 48), *Business Contractual Relationships* (HP6X 47) and *Statistics for Business* (J45Y 47). Therefore these Units are best delivered in Semester 1 such that students are fully knowledgeable and prepared for undertaking the Graded Unit project investigation in Semester 2.

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Semester 2 allows the students to further develop their specialised skills in financial and management accounting in preparation for a career in accounting or progression to university. *Financial Reporting and Analysis* (HP08 48) and *Management Accounting for Decision Making* (HP05 48) both provide progression from the accounting and finance Units in the first year of the course. These are augmented by the *Company Law: An Introduction* (HP7J 48) Unit which provides knowledge and understanding of limited companies.

The *Business with Accounting: Graded Unit 2* (HP07 48) project investigation will take place during Semester 2, **however students should be encouraged to identify a business issue which they wish to investigate in advance of the start of the semester**. Completing the project within the duration of one semester will mean that students have to progress quite quickly through the planning, investigating and evaluation stages. However, this has the advantage of ensuring that they stay motivated and focused on the task.

Key features of Year 2 (Option A)

- ♦ fewer subjects in Semester 2
- ♦ earlier completion of some 2-credit Units — *Business Culture and Strategy* (HP6R 48) and *Information and Communication Technology in Business* (HP7A 48)
- ♦ builds confidence and motivation through earlier completion of these Units
- ♦ more time to research *Business with Accounting: Graded Unit 2* (HP07 48)

Year 2: Suggested delivery schedule — Option B

Semester 1	Semester 2
Business Culture and Strategy (HP6R 48) — SCQF level 8, 2 SQA Credits	
Financial Reporting and Analysis (HP08 48) — SCQF level 8, 2 SQA Credits	
Information and Communication Technology in Business (HP7A 48) — SCQF level 8, 2 SQA Credits	
Management Accounting for Decision Making (HP05 48) — SCQF level 8, 2 SQA Credits	
Business with Accounting: Graded Unit 2 (HP07 48) — SCQF level 8, 2 SQA Credits	
Behavioural Skills for Business (J1E5 48) — SCQF level 8, 1 SQA Credit	Company Law: An Introduction (HP7J 48) — SCQF level 8, 1 SQA Credit
Business Contractual Relationships (HP6X 47) — SCQF level 7, 1 SQA Credit	Statistics for Business (J45Y 47) — SCQF level 7, 1 SQA Credit
Economics 2: The World Economy (HP72 48) — SCQF level 8, 1 SQA Credit	
8 Units studied: 1 at SCQF level 7, 7 at SCQF level 8 (3 credits completed, 5 Units partially completed)	7 Units studied: all at SCQF level 8 (12 credits completed)

Rationale for Year 2 (Option B)

The second model for delivery focuses on providing the students with a broad range of subjects across both semesters, with all 2-credit subjects being offered across Semesters 1 and 2. This model alleviates the need for subjects to be delivered twice per week providing more time for students to complete homework and assignments and to prepare for the following class. It does, however, mean that students are studying a wide range of subjects at the same time and that the duration of each is quite long.

There are two main advantages of this option. Firstly, students have a longer duration of time in which to complete the *Business with Accounting: Graded Unit 2* (HP07 48) project investigation and this may allow them to research and produce an enhanced quality of project submission. Secondly, it facilitates the study of the specialised financial and management accounting subjects throughout the year thus retaining students' interest and motivation in their course.

However this model also leads to the situation where the students are working on the *Business with Accounting: Graded Unit 2* (HP07 48) project investigation while they have not yet completed the Units containing the underpinning knowledge and understanding. Students would have to be flexible and integrate this developing knowledge into their project investigation as they progress through the semesters.

Key features of Year 2 (Option B)

- ◆ more subjects introduced in Semester 1
- ◆ variety may increase student motivation
- ◆ more time for Graded Unit 2 research
- ◆ fewer Units completed in Semester 1

6.2 Overview of Units

An overview of each Unit delivered within Years 1 and 2 is given below. However, tutors should refer to the Unit specification for full details of the Knowledge and/or Skills to be covered and Evidence Requirements. The Evidence Requirements clearly state the type of evidence required, the standard of evidence required and any conditions of assessment. The Unit specification also contains guidance on the delivery and assessment of the Unit.

YEAR 1 Units

Business Accounting (HP7K 47)

This 2-credit Unit enables students to develop their knowledge and understanding in the preparation and use of accounting information within a business organisation. Students will develop skills in preparing basic financial and management accounting reports and in interpreting and using financial information for decision making.

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There are five Outcomes in this Unit. It is recommended that Outcomes 1 and 2 are assessed separately and that the assessment is integrated for Outcomes 3, 4 and 5.

In Outcome 1 students will prepare the financial statements for a limited company comprising an income statement, statement of financial position and statement of changes in equity and incorporating year-end adjustments.

Outcome 2 focuses on the preparation of management accounting information and students will prepare a cash budget. Further, students will calculate the break-even point for making business decisions; for example considering the launch of a new product.

It is recommended that Outcomes 3, 4 and 5 are delivered and assessed using an integrated approach. These Outcomes cover: users of financial information and the purposes for which it is needed; sources of finance available to a business, both short term and long term; and an analysis of the performance and financial position of a business by looking at statements of cash flows and use of accounting ratios. The assessment could take the form of a case study covering these three areas.

Business Law: An Introduction (HP6Y 47)

This 1-credit Unit is designed to introduce students to law within a business environment. It is specifically focused on Scots Law but may take into account some aspects of English Law.

The Unit examines sources of Scots Law and contractual relationships. There are three Outcomes:

Outcome 1 explains the main sources of Scots Law.

Outcome 2 explains the law of contract.

Outcome 3 distinguishes the legal characteristics of the various types of business relationships — sole trader, partnership, registered company, Limited Liability Company.

The Unit may be taught by using reported cases from current law journals and other relevant sources. Students should be encouraged to gather information from various sources, eg the internet, journals and newspapers and use these in class discussions.

Assessment for all three Outcomes may take the form of open-book assessments based on a case study and/or restricted response questions. Students may compile their responses from their own research. Useful websites are www.acas.org.uk and www.gov.uk

Communication: Business Communication (HP75 47)

This 1-credit Unit is designed to help students analyse, summarise, evaluate and produce complex written communication. It also develops students' skills in presenting and responding to complex oral business information. It is recommended this Unit be taught and assessed within the Business subject area. The practical skills developed and assessed here may be integrated with other Units.

There are three Outcomes, which may be integrated with elements of the course requiring the analysis and production of complex written and/or oral communication.

Outcome 1 analyses and evaluates complex written business information and develops skills in reading and analysing complex text, summarising key information and evaluating the suitability of written text for its purpose.

Outcome 2 involves students in the production of complex written business documents. It covers selection of relevant information, sequencing for impact and effectiveness, appropriateness of language and style for formal business documents. Within the documents spelling, punctuation and grammar should be accurate. Students are also required to reference sources.

Outcome 3 requires students to present and respond to complex oral information in a business context. Students will plan and deliver an input to a formal business related event. The event may take the form of a meeting, event, webinar, etc.

It is possible to integrate Outcome 2 and Outcome 3, combining the report and meeting/event. Tutors should be advised setting up the meetings/events can be time consuming and it is recommended the report is marked at key stages and students given constructive feedback. For each Outcome, assessment is undertaken in open-book conditions. Centres should ensure the authenticity of students' work.

Creating a Culture of Customer Care (HP73 47)

This 1-credit Unit enables students to recognise and evaluate effective customer care. The Unit emphasises that customer care is a key area of importance and value to organisations and is, therefore, critical to the work of every employee.

There are two Outcomes and student evidence can be gathered in a variety of ways, eg presentations, case study analysis, structured questions, oral questioning, e-portfolio, etc.

Outcome 1 focuses on the analysis of the factors which contribute to a culture of customer care and the achievement of high standards of customer care.

Outcome 2 students apply these principles to an organisation and evaluate its customer care strategy.

Economic Issues: An Introduction (J461 47)

This Unit introduces learners to fundamental issues in economics with a particular emphasis on the business environment. Learners will consider the basic economic problem, how consumers and other economic agents address this problem, and how markets can be used to allocate resources. Learners are introduced to the operation of markets and actions that can be taken to help avoid market failure. The Unit introduces the theory of National Income and the circular flow of income model.

Learners are required to analyse complex information on national policies and their application.

In Outcome 1 learners are required to explain the allocation of resources within the economy. In this they will cover aspects such as the basic economic problem, opportunity cost, determinants of demand and supply, interaction of demand and supply, and price and income elasticity.

In Outcome 2 learners are required to explain the theory of National Income. In this they will cover areas such as circular flow of income, injections and withdrawals, multiplier, measures of national income, difficulties in measuring national income, comparison of national income between countries and national income growth measured in monetary and real terms.

In Outcome 3 learners are required to explain and evaluate the role of government policy in correcting market failures. In this they will cover the role of government in correcting market failures, current Government policy, Government policy instruments, and evaluation of Government policy.

Evidence for this Unit will be generated using a closed book examination with a standard completion time of 90 minutes completed under supervised conditions. The examination will contain questions that cover all three outcomes with an appropriate balance of marks allocated to the questions for each outcome. To achieve this Unit a learner must gain a minimum of 50% of the available 60 marks in the examination in order to pass the Unit. There are no gradings applied to the results and no remediation is permitted.

Where reassessment has to take place a different set of questions must be used on the second sitting.

The Evidence Requirements section of the Unit Specification sets out criteria which must be complied with when assessing this Unit.

Economics 1: Micro and Macro Theory and Application (HP6P 48)

In the second half of Year 1, the introductory Unit in Economics — *Economic Issues: An Introduction* (J461 47) — is followed by the higher level Unit *Economics 1: Micro and Macro Theory and Application* (HP6P 48). It is strongly recommended that the introductory Unit in Economics is passed before progression to this Unit.

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This 1-credit Unit is designed to build on students' knowledge of introductory economics and expose them to micro-economic and macro-economic applications of theory. The Unit allows the introduction of current issues in economics and provides an opportunity for students to analyse and evaluate these issues. There are three Outcomes for this Unit.

In Outcome 1 students are required to explain the costs of the firm and the market structures within which firms operate. Areas to be covered are costs of the firm, market structures, price and output behaviour, profit maximisation, and alternatives to profit maximisation.

In Outcome 2 students are required to analyse the impact of unemployment and inflation. Areas to be covered are types of unemployment, types of inflation, the impact of unemployment on individuals and businesses, and the impact of inflation on individuals and businesses. Recent trends in unemployment and in inflation are relevant to this analysis.

In Outcome 3 students are required to evaluate government use of macro-economic policy. Areas to be covered are the aims of fiscal policy, fiscal policy methods in the UK, aims of monetary policy, monetary policy methods in the UK and supply-side policies.

Assessment of Outcome 1 will take place in unsupervised conditions and may take the form of an investigative exercise. Assessment of Outcomes 2 and 3 of this Unit will take place in controlled conditions and may be assessed by questions based on stimulus material. Students will be permitted to use a specified amount of their own notes.

Information Technology: Applications Software 1 (HP6L 47)

This 1-credit Unit is designed to enable students to use Information Technology (IT) systems and applications independently to support a range of information processing activities and to develop a broad knowledge of the theoretical concepts of IT applications.

There are two Outcomes:

Outcome 1 focuses on operating a range of IT equipment independently, giving attention to security and to other users.

In Outcome 2 students use a range of software application packages to meet complex information requirements.

Assessment is largely practical and lends itself to a single assessment containing a number of tasks in the form of a project or case study. An observation checklist should be used for Outcome 1. Outcome 2 requires the student to use four or more software packages, and to integrate two or more different data types, eg text, number, graphics, audio or video. Examples of software applications which may be used include Word, Excel, PowerPoint, Publisher, Access, Outlook and the Internet.

There is scope to link assessment to other Units, eg *IT in Business: Spreadsheets* (HP78 47).

IT in Business: Spreadsheets (HP78 47)

This Unit is designed to allow learners to develop an understanding of spreadsheet design and how to use spreadsheet features and functions for practical and effective use in a business environment. Learners will develop knowledge and skills to allow them to create customised solutions to common business problems and scenarios.

In Outcome 1 students are required to create a spreadsheet design to meet the needs of a business

In Outcome 2 students need to apply statistical functions and present information in an appropriate format

In Outcome 3 students are required to present data in graphical format and evaluate this information.

It is possible to link the assessment for all Outcomes (1, 2 and 3) using a case study.

Assessment for all Outcomes (1, 2 and 3) can be done using a single case study broken down into a number of smaller tasks. The assessment evidence may be presented in a variety of forms, eg hard copies of screenshots, e-portfolio, VLE, stored on data stick etc.

There is scope to link the assessment to other Units, eg *Information Technology: Applications Software 1* (HP6L 47).

Managing People and Organisations (J4DK 47)

This 2-credit Unit consists of three Outcomes and assessment is open-book, based on questions on a case study of a real or fictitious organisation. Students would normally be given 2–3 weeks to research and prepare their submissions. Tutors could use questioning to authenticate learning and ensure responses are students' own work.

One case study can be used for assessment of all Outcomes but it would be recommended that students submit each Outcome separately. This approach helps students manage their assessment load, plus students benefit from tutor feedback and reflective learning.

In Outcome 1, students focus on the characteristics and purpose of the organisation and its environment. They will understand the importance of organisational goals, objectives and policy, the influence of key stakeholders and strategies of control.

In Outcome 2, students will analyse factors that contribute to workplace performance. They will consider theoretical models and relate to individual performance and motivation. Teamwork should be encouraged and students given the opportunity to reflect on factors contributing to their team's performance in tasks set. Team tasks could be set that encourage students to work together researching and presenting key theories. In addition to the use of structured questions, some form of group assessment could be used to add value to team work.

In Outcome 3, students will analyse factors that influence managerial performance. They will examine the roles and activities of managers, ways to measure managerial performance and theories of leadership. There is scope to integrate with Outcome 2 and use team tasks to assist with research activities and help students explore the effectiveness of different leadership styles. Structured questions could be supplemented by evidence from team work. Students should be encouraged to submit evidence of reflective learning on their team/leader's performance, eg what did they do well, what could they improve on, action plan for improvements.

Marketing: An Introduction (HP6N 47)

This 1-credit Unit gives a broad introduction to marketing. There are two Outcomes which should be incorporated in an integrated project. Students are required to produce a report which explains the nature of marketing and the marketing decisions taken in relation to an organisation of their choice. The report should include:

An introduction that provides some brief information about the organisation they have chosen and the key characteristics of the marketing concept. Students will be required to explain the organisation's micro and macro environment. Students will explain why market research is important for the organisation, and two examples of how the organisation could collect and use market research. The examples must include one qualitative and one quantitative technique. The report will then cover an explanation of the importance and benefits of market segmentation and targeting to the organisation and the process that the organisation may use to segment and target the market. An explanation of marketing theory, supported by examples of the following should also be included:

- ◆ Product mix decisions that the organisation has taken
- ◆ Place — how the organisation makes the product or service available to the customer, eg channels of distribution
- ◆ The Pricing methods used by the organisation
- ◆ The organisation's Promotional mix
- ◆ The importance to the organisation of the role of People, Process and Physical evidence in the marketing of products or services

The report should also show how the organisation's marketing mix responds to changing market conditions.

The Unit may be assessed in a variety of ways, eg by a separate assessment for each Outcome. Both assessments may take place under controlled conditions and be designed to encourage students to relate marketing theory to relevant examples. Alternatively, there is the opportunity to integrate the assessment of Outcomes 1 and 2. This could be done under open-book conditions and would be based on a case study, project or other stimulus material.

Recording Financial Information (HP04 47)

This 1-credit Unit focuses on developing book-keeping skills and the recording of financial information. There are four short Outcomes and assessments although it is possible to integrate these into two assessments, if this suits the student group, by combining Outcomes 1 and 2 and also combining Outcomes 3 and 4.

Outcome 1 covers the recording of financial transactions in the books of original entry and covers sales and sales returns, purchases and purchase returns, bank transactions received and paid, cash received and paid. It also covers accounting for Value Added Tax (VAT) on these transactions. Outcome 2 follows directly and involves the posting of the books of original entry to the sales, purchase and general ledger accounts applying double entry book-keeping principles.

Finally students will extract a Trial Balance from the ledger accounts. These Outcomes may be assessed separately or the assessment may be combined.

Outcome 3 covers the completion of a VAT Return by identifying relevant inputs and outputs and calculating the relevant amounts for the return.

Outcome 4 covers control mechanisms which may be incorporated into a book-keeping system. In particular, students will prepare a bank reconciliation and use journal entries to correct errors, including the use of a suspense account.

Outcomes 3 and 4 may be assessed separately or the assessment may be combined.

Preparing Financial Forecasts (HP70 48)

This 1-credit financial Unit contains four Outcomes although it is recommended that the delivery and assessment of Outcomes 1 and 2 be combined and that the delivery and assessment of Outcomes 3 and 4 be combined also.

Outcome 1 covers the preparation of an operating statement and the classification of costs into direct and indirect. Students also learn about the analysis of overhead costs and methods of determining profit using mark-up and margin.

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Outcome 2 further develops the analysis of costs for a business through marginal costing to provide relevant data for decision making. This Outcome also looks at the effect of changing costs and revenue levels on the total contribution made by the goods and services an organisation produces.

Outcome 3 introduces students to the important business process of budgeting and covers the preparation of functional budgets and flexed budgets. Further, students will calculate variances between budgeted and actual revenues and costs for an organisation.

Outcome 4 involves the use of investment and project appraisal techniques to assess the viability of a project. These techniques include traditional and discounted cash flow and their uses in decision making.

The use of a spreadsheet package is encouraged for Outcomes 3 and 4.

Business with Accounting: Graded Unit 1 (HP06 47)

This 1-credit Unit will provide evidence that students have met the aims of the first year of the Group Award. It assesses the student's ability to integrate knowledge and skills and problem solving across four of the first year Units.

The purpose of this Unit is to enable students to draw information from across a number of Units to solve a range of business problems. Students will consolidate their understanding of mandatory Units and develop problem solving and analytical skills, as well as learning to apply their knowledge to new situations. This is designed to enhance students' ability to apply what they have learned to broader, more dynamic real life situations.

This Graded Unit is assessed by a closed-book examination of 3 hours, split into two papers featuring a combination of mandatory and optional questions.

Achievement of the Unit is graded A, B or C. The pass mark is 50%.

See Section 8.3 for full details.

Year 2 Units

Behavioural Skills for Business (J1E5 48)

The aim of this 1-credit unit is to develop an understanding of the role of a manager as a leader and some of the key management skills required to meet an organisation's goals and objectives. It is possible to combine the 3 outcomes in this unit in a single holistic assessment eg by using a single case study.

Outcome 1 examines the role of the manager and the difference between a manager and a leader and the managerial activities that contribute to managerial effectiveness.

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Outcome 2 covers the techniques used by managers to manage themselves and others in given situations – positive relationships, problem solving, time and stress management.

Outcome 3 examines behavioural strategies managers must apply in given situations – effective communication, conflict management, assertiveness strategies, influencing and negotiation strategies.

Business Contractual Relationships (HP6X 47)

The 1-credit Unit develops students' knowledge of the law as it applies to the business environment. It examines consumer legislation, the law in employment and the Law of Obligations.

It has three Outcomes:

Outcome 1 explains the key statutory provisions relating to consumer protection — Sales of Goods, Unfair Contract Terms, Consumer Credit, False and Misleading Trade Descriptions and Product Liability.

Outcome 2 explains the key elements of the law in employment — contract of employment, dismissal and termination, discrimination.

Outcome 3 explains the key elements of the law of obligation — general principles of delict, negligence and defences.

Assessment for all three Outcomes may be open-book based on a case study with restricted response questions. Assessments may be integrated. Students may compile responses from their own research. Useful websites are www.acas.org.uk and www.gov.uk

Business Culture and Strategy (HP6R 48)

This 2-credit Unit builds on *Managing People and Organisations* (J4DK 47) from Year 1 and enhances students' understanding of business strategy and culture. There are five Outcomes and a holistic approach may be taken to all five Outcomes. A single instrument of assessment can be issued in the form of a case study or an investigation into an organisation of choice. Tutors should ensure any chosen organisation will offer sufficient evidence to cover the full range. Students should be familiar with their chosen organisation and ensure they can easily gather data required to complete all Outcomes. Clear guidelines should be issued for the investigative report.

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It is advisable tutors monitor student progress and offer formative assessment feedback after completion of each Outcome. If students research an organisation of choice, then they should be encouraged to present their findings to the class group. This provides an insight into the strategy and culture of a variety of organisations and enhances student learning. It also provides the opportunity to develop Core Skills in *Communication* and *Problem Solving*.

Outcome 1 examines how management analyse the organisations relationship with its external environment.

Outcome 2 assesses the relationship between organisational culture and organisational behaviour.

Outcome 3 explains the influence of business strategy on organisational behaviour.

Outcome 4 explains how to manage business strategy.

Outcome 5 analyses how to manage change within an organisation.

Company Law: An Introduction (HP7J 48)

This 1-credit Unit introduces the important aspects of company law and is designed for students who wish to pursue a career in accounting and finance. There are four Outcomes.

In Outcome 1 students gain knowledge and understanding of the separate legal personality of a company and its legal consequences, together with the formalities and documents required for registering a company.

Outcome 2 involves looking at the capital and financing of a company including ordinary and preference share capital, loan capital and both secured and unsecured borrowings.

Outcome 3 covers the management and administration of a company and focuses on areas relating to Directors, the Company Secretary, the Annual General Meeting and passing of Resolutions.

Outcome 4 deals with insolvent companies and covers voluntary liquidation, compulsory liquidation and administration.

The assessment for all Outcomes could be based around one case study.

Economics 2: The World Economy (HP72 48)

This 1-credit Unit introduces the World Economy, the main focus being the key features of the global economic environment. It advances economic concepts and allows students to develop their research and analytical skills. The core economic issues that are focused on in this Unit are trade, international payments, exchange rates and economies undergoing change.

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In Outcome 1 students will explain international trade and the role of trade organisations. Areas to be included are trade theory, barriers to international trade, protectionism, the World Trade Organisation and Trading blocs.

In Outcome 2 students will analyse the balance of payments and exchange rate regimes. Areas to be covered are the structure of the UK balance of payments accounts, recent trends in the UK balance of payments account, the relationship between exchange rates and the balance of payments, exchange rate regimes and the effects of exchange rates on economic agents.

In Outcome 3 students will evaluate world economies. Areas covered will be the characteristics of Newly Industrialised Countries (NICs), the issues facing NICs, characteristics of Less Developed Countries (LDCs), issues facing LDCs and the impact of transnationals in NICs and LDCs.

Assessment could be undertaken by using one instrument of assessment which allows students to develop their research skills. An investigative approach could be taken by the student to enable them to gather evidence. This may be in the form of a portfolio.

Financial Reporting and Analysis (HP08 48)

Across the four Outcomes of this 2-credit Unit, students develop their knowledge of the underlying concepts and standards that are applied in preparing financial statements, prepare financial statements of a limited company for publication, prepare a consolidated balance sheet for a group of companies and analyse company financial statements identifying appropriate sources of long term finance.

It is recommended that the requirements of the current Financial Reporting Standard (FRS 102) be followed for the delivery and assessment of this Unit.

Outcome 1 covers the underlying accounting concepts and the legal framework governing the preparation of financial statements of limited liability companies.

Outcome 2 involves the preparation of financial statements for a limited company for publication including the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity. Disclosure Notes to accompany the financial statements are also required. Taxation items should be included in the financial statements.

Outcome 3 covers the preparation of a consolidated balance sheet for a group of companies following the acquisition method of accounting.

In Outcome 4 students will analyse company financial statements using accounting ratios covering profitability, liquidity, efficiency, capital structure and investment. Students will also have to identify two sources of long term finance appropriate for an organisation.

Information and Communication Technology in Business (HP7A 48)

This 2-credit Unit is designed to develop students' knowledge and skills in identifying, evaluating, managing and presenting business information to facilitate and influence decision making. There are five Outcomes in this 2-credit Unit.

In Outcome 1 — students are required to identify and evaluate the role of business information in decision making.

In Outcome 2 — students are required to describe and evaluate data communications and new ICT innovations.

In Outcome 3 — students are required to plan project development work using project management software to meet client needs.

In Outcome 4 — students are required to schedule project development work using project management software to meet client needs.

In Outcome 5 — students are required to create a presentation using appropriate presentation software.

Assessment of Outcomes 1, 2 and 3 can be linked, using an appropriate case study. Outcome 3 requires the use of Project Management software. Outcome 4 is a practical activity based on Outcome 3 and the evidence presented as a report. Outcome 5 is a practical assignment using presentation software. This Outcome could be linked with the Unit *Business with Accounting: Graded Unit 2* (HP07 48).

In the course of this Unit students should be able to pull together concepts and ideas from various other Units such as *Behavioural Skills for Business* (J1E5 48), *Business Culture and Strategy* (HP6R 48) and *Business with Accounting: Graded Unit 2* (HP07 48).

Management Accounting for Decision Making (HP05 48)

This 2-credit Unit enables students to provide and evaluate management accounting information for use in short to medium term decision making and focuses on the preparation of cost statements, applying marginal costing techniques, using limiting factor analysis and appraising capital projects.

Outcome 1 looks at the preparation of a relevant cost and revenue statement for a specific management decision, for example the acceptance or rejection of a special order. It includes sunk costs, committed costs, incremental costs/revenue and opportunity costs.

In Outcome 2 students will build on marginal costing and break-even techniques to evaluate various decisions facing an organisation including optimum use of limiting factors; make or buy decisions; and changes to process, costs and volume.

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Outcome 3 involves applying marginal costing techniques to provide information to produce a multi-product profit volume graph which highlights the break-even point and margin of safety. Students will produce a report with recommendations on their findings.

Outcome 4 covers product mix decisions involving more than one limiting factor. Students will identify the optimum product mix and prepare a profit statement for the product mix identified.

Outcome 5 covers the appraisal of capital investments using accounting rate of return, payback, net present value, and internal rate of return. This appraisal includes the effects of taxation and inflation.

Statistics for Business (J45Y 47)

This 1-credit Unit of three Outcomes introduces students to statistical concepts and descriptive statistics used in business.

In Outcome 1 students will be required to explain statistical techniques for collecting data. Areas to be covered are sources of data, data collection methods, sampling methods and types of data.

In Outcome 2 students will be required to use statistical techniques to analyse data, interpret data and produce forecasts. Areas to be covered are measures of central location and dispersion, displaying data, scatter diagrams, correlation and forecasting, and analysis and interpretation of data.

In Outcome 3 students will be required perform hypothesis testing. Areas to be covered are normal distribution, confidence intervals, hypothesis testing and type 1 and 2 errors.

Outcome 1 could be assessed using an assessment containing short response questions and given circumstances covering all aspects of Outcome 1.

Outcome 2 could be assessed by an open-book assessment carried out in controlled conditions. The use of an appropriate software package is permitted. Where data files are provided, these should contain only the raw data and should not be provided in the form of pre-prepared files containing templates of formulae.

Outcome 3 could be assessed by an open-book assessment carried out in controlled conditions in which students use an appropriate software package.

Business with Accounting: Graded Unit 2 (HP07 48)

This 2-credit Unit will provide evidence that students have met the aims of the Group Award.

It will be assessed by a project investigation. The project will involve the investigation of a business issue and the assessment of its implications for a business or a number of businesses.

The purpose of this Unit is to enable students to draw information from across a number of Units to solve a range of business problems. Students will consolidate their understanding of mandatory Units and develop problem solving and analytical skills, as well as learning to apply their knowledge to new situations. This is designed to enhance students' ability to apply what they have learned to broader, more dynamic real life situations.

Achievement of the Unit is graded A, B or C. The pass mark is 50%.

See Section 8.3 for full details.

6.3 Opportunities for integration of Units

It is envisaged that where possible centres will deliver these qualifications in an integrative manner to help the students appreciate the interconnections between the various subjects.

Integration means identifying opportunities to combine areas of learning or assessment. This could mean devising one lesson that includes teaching two related topics or devising one assessment task that assesses more than one Outcome. A single assessment task could assess more than one Outcome from a Unit, or could bring Outcomes from different Units together in one task. This approach can reduce the overall number of assessment tasks needed, which is beneficial for students and for tutors.

For example, in the Unit *Communication: Business Communication* (HP75 47), Outcome 2 requires students to produce complex written business documents (which can be one or more documents) of approximately 1,500 words but which must conform to a range of standards. The content of the 'complex written business documents' is not stated and it would, therefore, be possible to select a topic from another theory based Unit, for example, *Business Accounting* Outcomes 3, 4 and 5 to form the basis of a 'formal business report', hence two Outcomes are assessed in a single assessment activity.

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Based on the proposed delivery of Years 1 and 2 the following opportunities exist for integration of delivery and/or assessment:

Unit code	Unit title	Integration opportunity
HP75 47	Communication: Business Communication — Outcome 2	Business Accounting (HP7K 47) — Outcomes 3, 4 and 5, where students prepare a report for management. Managing People and Organisations (J4DK 47) — Outcome 4, where students prepare a report.
HP78 47	IT in Business: Spreadsheets	Preparing Financial Forecasts (HP70 48) – Spreadsheets could be used to produce budgets and cash flow statements in Outcomes 3 and 4
HP7A 48	Information and Communication Technology in Business – Outcome 4	Business with Accounting: Graded Unit 2 (HP07 48) — Project: Stage 1 Planning.
HP7A 48	Information and Communication Technology in Business — Outcome 5	Economics 2: The World Economy (HP72 48) — Outcomes 1, 2 and 3 where students prepare a presentation.

Further details of opportunities to integrate assessments are given in Appendix 1.

7 Assessment in an SQA Advanced Diploma

7.1 Assessment in learning and for certification

Assessment is the process of evaluating a student's learning.

Assessment takes place throughout the learning and teaching processes as well as the final assessment for certification. It can take many forms (for example: practical exercises, case studies, extended response questions) and can be used for different purposes — including identifying prior knowledge, identifying gaps in learning, providing feedback to students as well as measuring student attainment.

Assessment as part of the learning process is called **formative** assessment. It provides developmental feedback to a student and tutors so that they can adjust their plan for future learning. It is not recorded for external purposes. **Formative** assessment is often called 'Assessment for learning'.

Summative assessment is carried out for the purpose of certification. Through **summative** assessment, students provide evidence to demonstrate that they can achieve the Evidence Requirements detailed in the statement of standards of the relevant Unit specification. It is generally undertaken at the end of a learning activity or programme of learning and is used to make a judgement on the student's overall attainment.

7.2 Assessment planning of an SQA Advanced Diploma

All SQA Advanced Diploma qualifications are **summatively assessed** using a mix of continuous Unit assessment and Graded Unit assessments. It is helpful for students, the Course Team and the internal verifiers if the Course Team if they have an overview of when summative assessments are likely to occur. It is, therefore, common practice for a Course Team, prior to the start of course delivery to agree the overall learning, teaching and assessment plan for the course. Part of this process requires tutors to agree when each Unit in the course will be **summatively assessed**.

In situations where Units of a course are being delivered in parallel, it is important that Course Teams make sure that the assessment load placed on students is manageable, although it is recognised that by its very nature summative assessments will occur towards the end of learning.

7.3 Planning the Unit summative assessment

For each Unit, it is helpful for tutors/assessors to draw up a Unit assessment plan which:

- ◆ describes what is to be assessed
- ◆ says what assessment methods will be used
- ◆ describes how the assessments are to be administered, eg practical, online, etc
- ◆ defines opportunities for integrating assessment

- ◆ provides a timetable for when the assessment will take place
- ◆ notes arrangements that need to be made to take account of additional support needs or prior learning
- ◆ describes the measures to be taken to ensure that the evidence produced is authentic and current
- ◆ describes how and when requirements for record-keeping and quality assurance processes will be met

7.4 Negotiating summative assessments with the students

Ultimately, it is up to the tutor to determine when a student is ready for summative assessment (within the agreed time constraints of the course timetable). A good way of gauging if a student is ready for assessment is to use a **practice assessment** (a final formative assessment which mirrors the summative assessment in terms of assessment method and an aspect of the Evidence Requirement where appropriate but it must not contain the same task detail as the summative assessment).

The tutor can use this assessment to identify the level of an individual student's competence and the outcome can help the tutor determine if the student is ready to attempt the summative assessment or if the student still has gaps in knowledge and understanding that need to be addressed through further work.

It is good practice to communicate assessment plans to students as early as possible in the course so that they know what to expect. A copy of the **proposed Course Assessment Plan** may be given to students at the start of the course, often during course induction. Thereafter, it is up to each tutor to make sure that students receive early warning of when assessment is likely to take place.

7.5 Summative Assessment Support Packs

Assessment Support Packs are produced by SQA and are made available to centres for all Units in this SQA Advanced Diploma. Assessment Support Packs are intended solely for the purpose of assessment of students against the standards given in the Unit specifications. **They must not be released prior to the assessment or be distributed for any other purpose. It is the centre's responsibility to maintain the security of all Assessment Support Packs. This includes retaining all Assessment Support Pack material within centres after assessment has taken place.**

A Unit Assessment Support Pack contains:

- ◆ Details of the conditions under which the assessment is to be carried out
- ◆ Assessment tasks for each Outcome
- ◆ A marking scheme or model answer
- ◆ Checklists (where appropriate)

It is vital that tutors:

- ◆ Adhere to the conditions for the assessment, ie open-book, closed-book, controlled conditions
- ◆ Mark assessments consistently in line with the marking scheme or model answer provided
- ◆ Keep all Assessment Support Packs secure so that they can be used for future student assessments

Once the student has completed the summative assessment, it is good practice for tutors to mark their student's work quickly and provide constructive feedback.

7.6 Accounting Units — summative Assessment Support Packs — Error Tolerance Guidance

Within the Accounting Units an Error Tolerance is allowed within the assessments. The Unit specification and Assessment Support Pack, for each Unit, states the number of errors allowed for each Outcome. Errors are classified as either an 'arithmetic/computational error' or an 'error principle'. Appendix 5 – **Error Tolerance Guidance Notes** – contains further guidance.

8 SQA Advanced Diploma in Business with Accounting Assessment Strategy and Plan

8.1 SQA Advanced Diploma in Business with Accounting Assessment Strategy

A guide to the type and number of assessments in each Unit of the SQA Advanced Diploma in Business with Accounting is shown below.

Unit	Assessment — Year 1				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Business Accounting (HP7K 47)	Practical exercise Supervised with access to pro forma layout only		Open-book report generated under supervised conditions. Questions and report linked to case study.		
Business Law: An Introduction (HP6Y 47)	Open-book Case study with questions	Open-book Case study with questions	Open-book Case study with questions		
Communication: Business Communication (HP75 47)	Open-book Analysis and evaluation of complex business information	Open-book Production of complex business documents	Open-book Plan and deliver an input to a formal business related event		
Creating a Culture of Customer Care (HP73 47)	Open-book restricted response questions	Open-book Report linked to case study			
Economic Issues: An Introduction (J461 47)	Question paper controlled conditions with notes	Question paper controlled conditions with notes	Open-book Short investigative exercise		
Economics 1: Micro and Macro Theory and Application (HP6P 48)	Open-book report based on case study with set questions	Supervised assessment. Written responses. Students can have 500 words of summary notes			

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Unit	Assessment — Year 1				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Information Technology: Applications Software 1 (HP6L 47)	Observation checklist	Practical tasks			
IT in Business: Spreadsheets (HP78 47)	Open-book practical task(s). May be one large task divided into smaller tasks				
Managing People and Organisations (J4DK 47)	Open-book Case study Written and/or oral responses	Open-book Case study Written and/or oral responses	Open-book Case study Written and/or oral responses	Open-book Case study Written and/or oral responses	
Marketing: An Introduction (HP6N 47)	Open-book Case study with written structured questions				
Recording Financial Information (HP04 47)	Practical exercise Closed-book supervised	Practical exercise Closed-book supervised	Practical exercise Open-book supervised	Practical exercise Open-book supervised	
Preparing Financial Forecasts (HP70 48)	Practical exercise covering Outcomes 1 and 2. Closed-book supervised conditions		Open – book out of class assessment. Analysis of a case study		
Business with Accounting: Graded Unit 1 (HP06 47)	Closed-book examination				

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Unit	Assessment — Year 2				
	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Outcome 5
Behavioural Skills for Business (J1E5 48)	Open-book case study. Written report and/or oral evidence. Integrate Outcomes 1, 2 and 3.				
Business Contractual Relationships (HP6X 47)	Open-book Written/oral Case study with given questions	Open-book Written/oral Case study with given questions	Open-book Written/oral Case study with given questions		
Business Culture and Strategy (HP6R 48)	Open-book. Written and/or oral responses All five Outcomes can be assessed by one integrated assessment based on a case study or research into tutor approved organisation.				
Company Law: An Introduction (HP7J 48)	Short response questions based on case study Open-book supervised	Short response questions based on scenario Closed-book supervised	Short response questions based on scenario Closed-book supervised	Open-book Case study	
Economics 2: The World Economy (HP72 48)	Open-book integrative assessment Portfolio of evidence				
Financial Reporting and Analysis (HP08 48)	Short response questions based on scenario Open-book supervised	Practical exercise Supervised with access to layout only	Practical exercise Closed-book supervised	Analysis and report Open-book supervised	
Information and Communication Technology in Business (HP7A 48)	Report based on case study		Project planning task using software		Create a presentation (no verbal delivery)
Management Accounting for Decision Making (HP05 48)	Practical exercise Closed-book supervised	Practical exercise Closed-book supervised	Practical exercise Closed-book supervised	Practical exercise Open-book supervised	Practical exercise Closed-book supervised
Statistics for Business (J45Y 47)	Closed-book restricted response questions	Open-book controlled conditions Practical tasks	Open-book controlled conditions Practical tasks		
Business with Accounting: Graded Unit 2 (HP07 48)	Project				

8.2 SQA Advanced Diploma in Business with Accounting Course Assessment Plan

Suggested course assessment schedules for Year 1 (Option A) and Year 2 (Option A) are found in Appendices 3a and 3b.

They are based on two semesters of 17 weeks, where centres have different lengths of semester, they should amend their schedules accordingly.

If centres decide to deliver Units in a different order, they should amend their schedules accordingly.

8.3 SQA Advanced Diploma in Business with Accounting Graded Unit assessments

Business with Accounting: Graded Unit 1 (HP06 47) Examination at SCQF level 7 — 1 SQA Credit

Business with Accounting: Graded Unit 2 (HP07 48) Project (Investigation) at SCQF level 8 — 2 SQA Credits

Graded Unit 1 is a closed-book examination lasting three hours comprising two papers worth 40% and 60% of the marks respectively. This Unit covers the integration of a range of knowledge and skills achieved through study of the mandatory Units, but focusing on:

HP7K 47 *Business Accounting*
J461 47 *Economic Issues: An Introduction*
J4DK 47 *Managing People and Organisations*
HP6N 47 *Marketing: An Introduction*

This assessment should take place towards the end of the programme to ensure that students have covered the topics which will be assessed within the Graded Unit.

Graded Unit 2 is a project investigation to be completed on an open-book basis over a period of time.

This Unit covers the integration of a range of knowledge and skills achieved throughout selected Units of the SQA Advanced Diploma:

HP7K 47 *Business Accounting*
HP70 48 *Preparing Financial Forecasts*
J461 47 *Economic Issues: An Introduction*
HP6P 48 *Economics 1: Micro and Macro Theory and Application*
HP72 48 *Economics 2: The World Economy*
HP6N 47 *Marketing: An Introduction*
J4DK 47 *Managing People and Organisations*
HP6R 48 *Business Culture and Strategy*
HP7A 48 *Information and Communication Technology in Business*
HP6L 47 *Information Technology: Applications Software 1*

HP78 47	<i>IT in Business: Spreadsheets</i>
HP75 47	<i>Communication: Business Communication</i>
J1E5 48	<i>Behavioural Skills for Business</i>
HP6Y 47	<i>Business Law: An Introduction</i>
HP6X 47	<i>Business Contractual Relationships</i>
J45Y 47	<i>Statistics for Business</i>

In addition to the integration of knowledge and skills needed to complete the project investigation, students will develop their skills in planning, negotiation, research, analysis, time management and problem solving. The Core Skill of *Problem Solving* at SCQF level 6 is embedded and therefore automatically certificated on successful completion of the Unit.

8.4 What happens if a student does not achieve an assessment?

If a student fails to demonstrate competence in a summative assessment, it is good practice to communicate this to the student quickly. Tutors should take time to individually feed back to students where they went wrong. Having given feedback, tutors should then advise students on what they need to do to prepare for re-assessment.

The student then undertakes additional work as discussed with the tutor, this is called remediation. It is when the student revises class work or practises skills covered in class **before** they attempt the re-assessment. It is important that students do get time to consolidate their knowledge and understanding before being re-assessed.

Re-assessment may take a variety of forms.

- ◆ For some assessments, students may be allowed to provide additional information, eg if a student has submitted a report based on a piece of independent research, she/he would be allowed to add the missing evidence and resubmit the report. The new information should be highlighted in such a way to show that it had been added, eg underlined, coloured and dated in the margin.
- ◆ For practical tasks related to their use of information technology, students may be permitted to correct work and resubmit — the original submission and the re-submission should both be kept.
- ◆ For multiple choice, short response and Graded Units, students may be required to attempt a completely new assessment instrument.

Where specific action has to be taken for re-assessment details will be noted in the Unit specification and tutors must be familiar with the Unit specification requirements for re-assessment.

It is important to note that re-assessment does **not** always require that students complete a full new assessment. Re-assessment may (and often does) allow students to re-attempt the part of the Outcome that they have not completed to a standard which meets the Unit specification.

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For Units other than Graded Units, SQA provides only **one** summative assessment and it is extremely important that centres produce their own **alternative** assessments. These assessments can be used for re-assessment purposes.

Once a draft assessment has been prepared by the centre it should first be quality checked by centre staff (internally verified) and submitted to SQA for prior-verification to ensure that it is fit for purpose³.

If a student fails to reach the pass mark in the Graded Unit 1 — Examination then he/she should be allowed to sit an alternative examination before the beginning of the next session to allow progression to Year 2. Students must complete all aspects of the new assessment instrument. Students must pass the Graded Unit on the second attempt.

³ For tutors seeking support in this process, an SQA Academy course is available – *Produce HN Assessments for successful prior verification* (<https://www.sqaacademy.org.uk>)

9 Quality Assurance

SQA is committed to providing qualifications and support to match the needs of individuals, society and the economy of Scotland and internationally. SQA believes that global interaction in education and training benefits our customers, clients, partners and SQA through the sharing of expertise and experience.

SQA has a balanced portfolio of qualifications that is inclusive, facilitates progression, reflects Scotland's educational, economic, social and cultural needs and changes, and supports education and training worldwide.

SQA works in partnership with our approved centres to achieve our shared goals of excellence and consistency. This ensures that SQA's qualifications continue to meet the requirements all users of our qualifications.

SQA's quality assurance models are designed to ensure that assessment decisions made to national standards are correct and consistent, and that national standards are maintained. We are committed to maintaining an assessment and quality system that is easy to understand, effectively administered, publicly accountable, and cost-effective to operate.

As well as working with centres to manage and enhance the quality of SQA qualifications, SQA routinely monitors its own performance. SQA establishes processes that need to be followed and submit these to regular auditing. This includes systematic evaluation and review of the effectiveness of our quality management processes. SQA also monitors standards across all our qualifications over time, to ensure consistency. Feedback from stakeholders is an integral part of SQA's review activities.

SQA is subject to external audit by a number of agencies, including the Scottish Government.

10 Verification

10.1 Introduction

SQA regularly monitors centres to ensure that they have the resources and expertise to assess students against the qualification criteria. SQA's quality assurance processes have been developed to ensure that national standards are applied to internally assessed Units or course components.

To maintain the credibility of SQA qualifications, we rely on effective collaboration with centres to ensure national standards are maintained across all qualifications at all levels.

Verification is the procedure that SQA uses to make sure that centres' assessment decisions are valid and reliable and are in line with national standards.

10.2 Why do we need verification?

Verification is one of a range of Quality Assurance measures used by SQA to confirm that:

- ◆ centres' assessment decisions are sound (ie valid, reliable and practicable)
- ◆ national standards are being uniformly applied
- ◆ assessments are accurately and consistently applied across all students and levels

This ensures qualifications and certification are credible with all students being assessed to a common standard.

10.3 Internal verification

Centres are responsible for the internal verification of their assessments. This means that centres should have an internal verification system — a system of having quality checks in place — which can be operated throughout the centre. Each tutor who is responsible for the assessment of students and/or internal verification of student material should:

- ◆ be made aware of their centre's quality assurance procedures
- ◆ comply with these procedures

Centres will appoint staff members to be internal verifiers. Internal verifiers will ensure that assessors apply standards of assessment uniformly and consistently. They should keep records of internal verification activity for external verifiers to access. Examples of records include:

- ◆ evidence of planned verification for the semester which conforms to the centre's verification strategy
- ◆ minutes of meetings where assessment work is examined and where discussion about acceptable standards is noted and decisions recorded

- ◆ internal verification forms showing which students' work has been verified and the Outcome. Note where an assessor carries out observations, internal verifiers should also observe the assessor
- ◆ evidence of discussion and support of assessors, particularly where student work has not been accepted by the internal verifier
- ◆ evidence of reporting back to the Course Team, any recommendations/actions required and evidence that these are acted upon

10.4 External verification

To ensure national consistency in assessment decisions, SQA appoints experienced teachers/lecturers who have good, recent experience in the delivery and assessment of their subject to carry out external verification in centres. SQA will notify the SQA Co-ordinator if your centre has been selected for verification.

SQA wants to encourage centres and staff to see verification in a positive light, as a valuable Quality Improvement tool.

Appendix 1: SQA Advanced Diploma Year 1 — Assessment Strategy: Integration Opportunities

The assessment strategy below provides suggestions for assessment rather than prescriptive direction.

Units	Assessment	Nature of integration	Additional comments
Communication: Business Communication (HP75 47) Business Accounting (HP7K 47) Information Technology: Applications Software 1 (HP6L 47) IT in Business: Spreadsheets (HP78 47)	Simulated exercise	A meeting could be held to discuss financial performance of a business. The production of an accounting statement using, for example, spreadsheets could form the basis for an agenda item.	The emphasis is upon the development of skills that are applicable to a business environment. As a result, it is important to provide students with the opportunity to generate evidence through simulated business activity where possible. For example, student may participate in a business meeting, they may produce a profit and loss account for a business, they may produce business documentation to support business decision making.
Managing People and Organisations (J4DK 47) Marketing: An Introduction (HP6N 47) Economic Issues: An Introduction (J461 47)	Case study with questions	Opportunities may exist to use common case study stimulus material. This may provide students with a more holistic view of the nature of business and the internal and external environmental factors that impact upon it.	Students should be provided with the opportunity to generate evidence within the context of a real life or simulated business environment. This will enable students to apply knowledge and skills to business issues and challenges rather than merely regurgitating theoretical concepts.

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Units	Assessment	Nature of integration	Additional comments
<p>Communication: Business Communication (HP75 47)</p> <p>Information Technology: Applications Software 1 (HP6L 47)</p> <p>IT in Business: Spreadsheets (HP78 47)</p>	Practical exercise	<p>Opportunities may exist to generate evidence through documentation that may satisfy different Units, for example, the production of a newsletter would promote integration between Information Technology: Applications Software 1 and Communication: Business Communication.</p>	<p>The generation of business documentation will provide students with tangible, transferable skills that are consistently demanded by HEIs and employers.</p>
<p>Managing People and Organisations (J4DK 47)</p> <p>Economic Issues: An Introduction (J461 47)</p> <p>Marketing: An Introduction (HP6N 47)</p>	Project: Practical Assignment	<p>Opportunities may exist for students to generate evidence based upon a real life business organisation or situation and as such, students may have opportunities to integrate assessment evidence. For example, analysis of market conditions and management decision making may provide opportunities for integration.</p>	<p>The ability to generate evidence through project based assignments would provide the student with the opportunity to undertake independent research and development and would facilitate the development of planning, organisational and evaluation skills.</p>

Appendix 1: SQA Advanced Diploma Year 2 — Assessment Strategy: Integration Opportunities

Units	Assessment	Nature of integration	Additional comments
<p>Information Communication Technology in Business (HP7A 48)</p> <p>Statistics for Business (J45Y 47)</p> <p>Preparing Financial Forecasts (HP70 48)</p>	Simulated exercise	Opportunities may exist to develop a simulated project with parameters that must be planned, agreed and analysed.	The emphasis is upon the development of skills that are applicable to a business environment. As a result, it is important to provide students with the opportunity to generate evidence through simulated business activity where possible.
<p>Business Culture and Strategy (HP6R 48)</p> <p>Information Communication Technology in Business (HP7A 48)</p> <p>Behavioural Skills for Business (J1E5 48)</p> <p>Economics 1: Micro and Macro Theory and Application (HP6P 48)</p> <p>Business Law: An Introduction (HP6Y 47)</p> <p>Business Contractual Relationships (HP6X 47)</p>	Case study with questions	Opportunities may exist to use common case study stimulus material. This may provide students with a more holistic view of the nature of business and the internal and external environmental factors that impact upon it.	Students should be provided with the opportunity to generate evidence within the context of a real life or simulated business environment. This will enable students to apply knowledge and skills to business issues and challenges rather than merely regurgitating theoretical concepts.

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Units	Assessment	Nature of integration	Additional comments
<p>Information Communication Technology in Business (HP7A 48)</p> <p>Behavioural Skills for Business (J1E5 48)</p> <p>Preparing Financial Forecasts (HP70 48)</p>	Practical exercise	The planning, financial analysis and management of a project could provide the basis for the generation of evidence.	Providing students with an opportunity to carry out practical activities through, for example, experiential learning, will increase the transferability of learned skills and knowledge.
<p>Information Communication Technology in Business (HP7A 48)</p> <p>Business Culture and Strategy (HP6R 48)</p> <p>Economics 2: The World Economy (HP72 48)</p> <p>Preparing Financial Forecasts (HP70 48)</p>	Project: Practical Assignment	Students may have an opportunity to generate evidence while working in partnership with a real life business organisation. A range of business activities and influences could be examined and evaluated.	The ability to generate evidence through project based assignments would provide the student with the opportunity to undertake independent research and development and would facilitate the development of planning, organisational and evaluation skills.

Appendix 2a: Core Skills Year 1⁴

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written	Oral	Graphical Information	Using Number	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
HP7K 47	Business Accounting	SCQF 5 S	SCQF 5 S		SCQF 6 E							
HP6Y 47	Business Law: An Introduction	SCQF 6 S	SCQF 6 S			SCQF 5 S	SCQF 5 S	SCQF 6 S	SCQF 6 S	SCQF 6 S		
HP75 47	Communication: Business Communication	SCQF 6 E	SCQF 6 E									
HP73 47	Creating a Culture of Customer Care	SCQF 6 S	SCQF 6 S					SCQF 6 S		SCQF 6 S		
J461 47	Economic Issues: An Introduction	SCQF 6 S	SCQF 6 S					SCQF 5 S	SCQF 5 S	SCQF 5 S		
HP6P 48	Economics 1: Micro and Macro Theory and Application	SCQF 6 S				SCQF 6 S						
HP7F 48	Grievance and Discipline Handling*											

⁴ S = signposted, E = embedded

* = although no Core Skills have been signposted or embedded in this Unit there are opportunities to develop

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Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written	Oral	Graphical Information	Using Number	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
HP70 48	Preparing Financial Forecasts				SCQF 6 S			SCQF 5 S				
HP6L 47	Information Technology: Applications Software 1					SCQF 6 E	SCQF 6 E					
HP78 47	IT in Business: Spreadsheets			SCQF 5 E	SCQF 5 E			SCQF 5 E	SCQF 5 S	SCQF 5 S		
J4DK 47	Managing People and Organisations	SCQF 6 S						SCQF 6 S		SCQF 6 S		
HP6N 47	Marketing: An Introduction	SCQF 6 S	SCQF 6 S					SCQF 6 S	SCQF 6 S	SCQF 6 S		
HP06 47	Business with Accounting: Graded Unit 1 *											

S = signposted, E = embedded

* = although no Core Skills have been signposted or embedded in this Unit there are opportunities to develop

Appendix 2b: Core Skills Year 2⁵

Unit code	Unit title	Communication		Numeracy		ICT		Problem Solving			Working with Others	
		Written	Oral	Using Graphical Information	Using Number	Accessing Information	Providing/Creating Information	Critical Thinking	Planning and Organising	Reviewing and Evaluating	Working Co-operatively with Others	Reviewing Co-operative Contribution
J1E5 48	Behavioural Skills for Business	SCQF 6 S	SCQF 6 S					SCQF 6 E	SCQF 6 S	SCQF 6 S		
HP6X 47	Business Contractual Relationships	SCQF 6 S	SCQF 6 S			SCQF 5 S	SCQF 5 S	SCQF 6 S	SCQF 6 S	SCQF 6 S		
HP6R 48	Business Culture and Strategy	SCQF 6 S	SCQF 6 S					SCQF 6 S	SCQF 6 S	SCQF 6 S		
HP72 48	Economics 2: The World Economy	SCQF 6 S	SCQF 6 S			SCQF 5 S	SCQF 5 S	SCQF 6 S	SCQF 6 S	SCQF 6 S		
HP08 48	Financial Reporting and Analysis					SCQF 5 E	SCQF 5 E	SCQF 5 E	SCQF 5 E			
HP7A 48	Information and Communication Technology in Business	SCQF 6 S				SCQF 6 S	SCQF 6 E	SCQF 6 E	SCQF 6 E	SCQF 6		
HP70 48	Preparing Financial Forecasts				SCQF 6 S			SCQF 5 S				
J45Y 47*	Statistics for Business											
HP05 48	Management Accounting for Decision Making			SCQF 5 E	SCQF 6 E			SCQF 6 E				
HP07 48	Business with Accounting: Graded Unit 2	SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 6 S	SCQF 6 E	SCQF 6 E	SCQF 6 E	SCQF 6 S	SCQF 6 S

⁵ S = signposted, E = embedded

Appendix 3a: Year 1, Semester 1 — Assessment Plan (Option A)

Unit	Week																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Business Accounting (HP7K 47)						X			X					X* O3,4,5			
Communication: Business Communication (HP75 47)					X					X					X		
Economic Issues: An Introduction (J461 47)									X					X			
Information Technology: Applications Software 1 (HP6L 47)											X			X			
Managing People and Organisations (J4DK 47)					X			X			X				X		
Marketing: An Introduction (HP6N 47)							X									X	

Assessment submission date is shown by an X

X* integrated assessment of more than one Outcome with relevant Outcomes indicated

Appendix 3a: Year 1, Semester 2 — Assessment Plan (Option A)

Unit	Week																
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Business Law: An Introduction (HP6Y 47)					X				X					X			
Creating a Culture of Customer Care (HP73 47)							X								X		
Economics 1: Micro and Macro Theory and Application (HP6P 48)						X								X			
IT in Business: Spreadsheets (HP78 47)						X								X			
Preparing Financial Forecasts (HP70 48)								X								X	
Recording Financial Information (HP04 47)									X						X		
Business with Accounting: Graded Unit 1 (HP06 47)								X Practice					X Summative			X Resit	

Assessment submission date is shown by an X

Appendix 3b: Year 2, Semester 1 — Assessment Plan (Option A)

Unit	Week																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Behavioural Skills for Business (J1E5 48)						X					X					X	
Business Contractual Relationships (HP6X 47)					X				X					X			
Business Culture and Strategy (HP6R 48)				X			X			X			X			X	
Economics 2: The World Economy (HP72 48)													X				
Information and Communication Technology in Business (HP7A 48)						X						X					X
Statistics for Business (J45Y 47)						X					X				X		

Assessment submission date is shown by an X

Appendix 3b: Year 2, Semester 2 — Assessment Plan (Option A)

Unit	Week																
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
Company Law: An Introduction (HP7J 48)				X			X				X			X			
Financial Reporting and Analysis (HP08 48)			X						X			X				X	
Management Accounting for Decision Making (HP05 48)			X			X			X			X			X		
Business with Accounting: Graded Unit 2 (HP07 48)				X Plan ning							X Devel oping					X Eval uation	

Assessment submission date is shown by an X

Appendix 4: Professional Body Recognition

Chartered Institute of Management Accountants (CIMA)

As of the 1st October 2020 CIMA accredited programmes will be given exemptions in line with the new global CIMA accreditation policy. Please see the following link for the list of qualification exceptions <https://www.cimaglobal.com/Starting-CIMA/Starting-CIMA/Exemptions/Exemption-Search/Scottish-Qualifications-Authority-9740/>

Chartered Management Institute (CMI)

Graduates are eligible for Associate Grade membership. For more information see <https://www.managers.org.uk/individuals/become-a-member>

Chartered Banker Institute (CBI)

Graduates are eligible for entry into the Institute's *Chartered Banker Diploma (ACBD)*. For more information see <https://www.charteredbanker.com/>

Appendix 5: Error Tolerance Guidance Notes

Background

There are a range of **Higher National Accounting Units** that are included in a number of the SQA Advanced Diploma fixed frameworks. These are:

- ◆ Recording Financial Transactions – HP6F 46
- ◆ Recording Financial Information – HP04 47
- ◆ Business Accounting – HP7K 47
- ◆ Financial Reporting and Analysis – HP08 48
- ◆ Management Accounting for Decision Making – HP05 48
- ◆ Preparing Financial Forecasts – HP70 48
- ◆ Cost Accounting – HP5H 47

An Error Tolerance statement is provided within each Unit under the Evidence Requirements for each Outcome. This statement clearly indicates the acceptable number of errors (i.e. the threshold) a student may make within the evidence they produce. Centres must note:

- ◆ The Error Tolerance approach is **only** applicable to the Units listed above and where indicated within the Unit specification.
- ◆ It is the centre's responsibility to ensure that they use most **current** Unit specification at the time of assessment. Error Tolerances may be reviewed and amended from time to time.

Error Tolerance Guidance Notes

Following extensive consultation and feedback from stakeholders SQA has developed two types of error which fall within the guidance. These are:

- ◆ Errors of Principle, and
- ◆ Arithmetic or Computational Errors

To help assessors develop an understanding of the use of Error Tolerances, SQA has produced a list for each category. The information which follows is not an exhaustive list, but a guidance note to assist assessors in making assessment decisions. As with all SQA qualifications, the professional judgement of the assessor is paramount and remains at the centre of all assessment decisions.

In addition to the list provided, an example of marked scripts for two Outcomes of two Units is also available to illustrate the marking of assessments under the Error Tolerance guidelines. This can be downloaded from SQA's secure website. This document **must** be retained in a secure manner in the same way that all SQA produced Assessment Support Packs (ASPs) must be treated.

Types of Errors

Commonly in the Unit specifications, two types of errors will be mentioned — Arithmetic/Computational Errors and Errors of Principle.

Arithmetic/Computational Errors

Common types of errors which are likely to be classified as arithmetic are:

- ◆ Transposition errors
- ◆ Errors where students write 'add' but subtract the figure instead
- ◆ Incorrect processing of £000s where a Trial Balance, for example, is presented in £000 but the notes to the accounts provide the full figures and the student has included the full figure, including the £000
- ◆ Incorrect totals — the individual figures may be correct but the addition and subtraction has been incorrectly completed
- ◆ Running balances in ledger accounts not correctly identified as Debit or Credit
- ◆ Incorrect calculations of inventory in inventory valuation tasks
- ◆ Incorrect application of time multiplied by rate, for example in wages calculations
- ◆ Incorrect calculation of proportions in overhead analysis

Errors of Principle

Common types of errors which are likely to be classified as errors of principle are:

- ◆ Error of commission
- ◆ Error of omission
- ◆ Reversal of entries
- ◆ Incorrect classification of items in financial statements, eg Trade Payables included in current assets
- ◆ Incorrect use of inventory valuation methods, ie FIFO instead of LIFO
- ◆ Inclusion of depreciation in a Cash Budget
- ◆ Wrong equations used in variances
- ◆ Wrong figures selected for ratios
- ◆ Gross figures entered in the general ledger
- ◆ VAT calculations not correct
- ◆ Inappropriate method of apportionment
- ◆ When preparing master budgets, incorrect figures included in final accounts, eg figure for materials consumed included rather than materials purchased
- ◆ Depreciation calculations incorrectly carried out, ie reducing balance rather than straight line
- ◆ Incorrect calculation of contribution
- ◆ Outputs and inputs reversed in VAT
- ◆ Process costs calculated not taking wastage into account
- ◆ Ledger balances posted to the Trial Balance incorrectly, ie credit balances on inventory accounts; sales in the DR column
- ◆ Capital allowances incorrectly identified

Appendix 6: New Terminology to Comply with FRS 102 Requirements

Current UK Terminology (In alphabetical order)	International Terminology
Accruals	Other payables
Balance sheet	Statement of financial position
Bank and cash	Cash and cash equivalents
Cash flow statement	Statement of cash flows
Cost of goods sold	Cost of sales
Creditors: amounts falling due within one year (heading)	Current liabilities
Equity or capital	Equity
Final accounts	Financial statements
Fixed assets	Non-current assets
Goodwill, etc	Intangible assets
Interest payable	Finance costs
Interest receivable	Investment revenues
Investments	Investment property
Land and buildings	Property
Loans repayable after one year	Bank loan (also other loans)
Loans repayable within one year	Bank overdrafts and loans
Long term liabilities Creditors: amounts falling due after more than one year	Non-current liabilities
Net loss	Loss for the year
Net profit	Profit for the year
Prepayments	Other receivables
Profit and loss account	Income statement
Profit and loss appropriation account	There is no appropriation account – this is partly replaced by the statement of changes in equity
Proposed dividends	No proposed dividends as only dividends that have been approved are included
Sales	Revenue (where used in income statements)
Stocks of raw materials and finished goods	Inventory
Sundry expenses	Other operating expenses
Sundry income	Other operating income
Trade creditors	Trade payables
Trade debtors	Trade receivables
Trading and profit and loss account	Income statement

Appendix 7: Suggested Layouts for Financial Statements

These layouts are **suggestions** only and are not prescriptive.

Other suitable alternatives which conform to the general principles of FRS 102 will be acceptable.

SOLE TRADER

J Bloggs - Sole Trader		
Income Statement for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	68,000	
	80,000	
<u>Less: closing inventory</u>	14,000	
		66,000
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	3,000	
		18,900
		65,100
Other operating income: Commission Received		2,000
Profit for the year		67,100

J Bloggs - Sole Trader		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Property, plant and equipment		60,000
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	4,000	
		58,000
Total Assets		118,000
<u>Capital</u>		
Opening balance		36,000
Add: Profit for year		67,100
		103,100
Less: Drawings		5,000
		98,100
<u>Non-current liabilities</u>		
Loan		8,300
<u>Current liabilities</u>		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	1,300	
		11,600
Total Equity and Liabilities		118,000

PARTNERSHIP

Blogg & Blagg - Partnership		
Income Statement and Appropriation Account for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Cost of goods sold</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	<u>68,000</u>	
	80,000	
Less: closing inventory	<u>14,000</u>	
		<u>66,000</u>
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Loan interest	1,200	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	<u>3,000</u>	
		<u>18,900</u>
		65,100
Other operating income: Commission Received		<u>2,000</u>
Profit for the year		67,100
Interest on drawings		
Blogg	500	
Blagg	<u>600</u>	<u>1,100</u>
		68,200
Salary		
Blogg		12,200
Interest on Capital		
Blogg	5,000	
Blagg	<u>4,000</u>	<u>9,000</u>
		47,000
Profit share		
Blogg 60%	28,200	
Blagg 40%	<u>18,800</u>	
		47,000

Blogg & Blagg - Partnership		
Statement of Financial Position at 31 December		
	£	£
Non-current assets		
Property, plant and equipment		60,000
Current assets		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	4,000	
		58,000
Total Assets		118,000
Capital Accounts		
Blogg	22,000	
Blagg	20,000	
		42,000
Current Accounts		
Blogg <i>note⁶</i>	26,000	
Blagg <i>note</i>	30,100	
		56,100
Non-current liabilities		
Loan		8,300
Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	1,300	
		11,600
Total Equity and Liabilities		118,000

⁶ Working note required to calculate closing Current Account balances.

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MEDIUM-SIZED LIMITED COMPANY

Medium Ltd - Limited Company		
Income Statement for the year ended 31 December		
	£	£
Revenue <i>[net of Discount Allowed]</i>		150,000
<u>Less: Cost of Sales</u>		
Opening inventory	12,000	
Add: Purchases <i>[net of Discount Received]</i>	<u>68,000</u>	
	80,000	
Less: closing inventory	<u>14,000</u>	
		66,000
Gross profit		84,000
<u>Less: Expenses</u>		
Rent and rates	1,400	
Heat and light	1,600	
Wages and salaries	8,800	
Van expenses	900	
Depreciation	2,000	
Sundry expenses	<u>3,000</u>	
		17,700
		66,300
Other operating income		2,000
Profit/loss on disposal of operations		<u>0</u>
Operating profit <i>[profit before interest and tax]</i>		68,300
Finance income/investment income <i>[interest receivable and similar income]</i>		0
Finance costs <i>[interest payable and similar charges]</i>		<u>-1,200</u>
Profit on ordinary activities before taxation		67,100
Taxation		<u>0</u>
Profit on ordinary activities after taxation and profit for the financial year <i>[to SOCE]</i>		67,100
Other comprehensive income		
Actuarial losses on defined benefit pension plans	minus	0
Deferred tax movement relating to actuarial losses	plus	<u>0</u>
Total comprehensive income for the year		67,100

Medium Ltd - Limited Company		
Statement of Financial Position at 31 December		
	£	£
<u>Non-current assets</u>		
Intangible assets		0
Property, plant and equipment		60,000
Investments		0
		<u>60,000</u>
<u>Current assets</u>		
Inventories	14,000	
Trade receivables	32,000	
Other receivables	8,000	
Bank and Cash	<u>4,000</u>	<u>58,000</u>
Total Assets		<u>118,000</u>
Capital and Reserves		
Ordinary Share Capital		16,000
Share premium		4,000
General reserve		6,100
Retained earnings		<u>72,000</u>
Equity <i>see SOCE</i>		<u>98,100</u>
Non-current liabilities		
Loan		8,300
Current liabilities		
Trade payables	6,000	
Other payables	4,300	
Bank overdraft	<u>1,300</u>	<u>11,600</u>
Total Equity and Liabilities		<u>118,000</u>

Medium Ltd - Limited Company					
Statement of Changes in Equity					
	Share Capital £	Share Premium £	Retained Earnings £	General Reserve £	Total Equity £
Balance at 1 January.....	16,000	4,000	5,300	6,100	31,400
Changes in Equity for 2XXX					
Issue of share capital	0	0			0
Transfers				0	0
Profit for year			67,100		67,100
Dividends			-400		-400
Balance at 31 December.....	16,000	4,000	72,000	6,100	98,100

Worked Example of Question for a PLC conforming to FRS 102

(The Statement of Financial Position included in this example is slightly different from the others contained in this Appendix. Large PLCs usually have *much more going on* re the complexity and movements in their capital and especially reserves so tend to present it last. It is a question of relevance and style to the organisation involved.)

Public Limited Company

BOSS plc

The following Trial Balance has been extracted from the books as at 31 December 2014

	£000	£000
Trade receivables	1,200	
Trade payables		408
Inventory 1 January 2014	160	
Revenue		3,700
Purchases of goods for resale	1,820	
Retained earnings		300
Freehold land	980	
Property	600	
Depreciation: Property 1 January 2014		40
Plant and Machinery	900	
Depreciation: Plant and Machinery 1 January 2014		300
Distribution costs	120	
Deferred taxation		140
Corporation tax		30
Cash at bank and in hand	100	
Administration expenses	488	
Interim dividend paid on Ordinary Shares	80	
Non-current asset investments	280	
Dividends from investments		40
Ordinary Shares of £1		1,000
4% Preference Shares of £1 fully paid		600
8% Debentures		200
Preference dividend paid	24	
Other receivables	36	
Other payables		12
Allowance for doubtful debts		34
Loss on discontinued operations	16	
	<u>6,804</u>	<u>6,804</u>

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Required:

From the Trial Balance and additional information, together with your knowledge of UK Companies Act legislation and relevant accounting standards, you are required to complete a 'draft' set of financial statements for the year ended

Note that there is no requirement for comparative figures or a Statement of Cash Flows.

- | | | |
|----|---|-----------|
| 1 | Inventories at 31 December was estimated to be worth (valued at the lower of cost of NRV) | 180,000 |
| 2 | During the year Plant and Machinery was acquired for | 300,000 |
| 3 | Government grants are due to be received relating to the acquisition of the Plant and Machinery during the year. No record has yet been made of this in the accounts | 60,000 |
| 4 | Depreciation is to be provided on the basis of:

Property – 50 years on a SLN basis. Depreciation to be apportioned: 70% to production; 20% to distribution; 10% to administration

Plant and Machinery – 20% on a RBM basis. Plant and machinery relates to production.

Note: A full year's depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal. | |
| 5 | The freehold land was purchased several years ago when the company moved premises. On 30 June 2013 the land was valued on an open market basis by qualified surveyors at

The directors wish to incorporate this into the accounts | 1,400,000 |
| 6 | Corporation tax on profits on ordinary activities for the year ended 31 December is estimated at | 180,000 |
| 7 | Administration expenses include auditors' remuneration of | 34,000 |
| 8 | The debenture interest should be accrued | |
| 9 | The allowance for doubtful debts should be adjusted to 2% of net debtors | |
| 10 | Deferred tax should be increased by | 48,000 |
| 11 | A legal claim for damages due to faulty products is pending. It is probable that the company may have to pay this claim of | 44,000 |

BOSS plc	
Statement of Comprehensive Income	
Continuing operations	£000
Revenue	3,700
Cost of Sales	-1,960
Gross profit	1,740
Operating expenses	-602
Profit from operations	1,138
Finance costs	-16
Fair value adjustment	0
Investment income	40
Profit before tax	1,162
Taxation	-198
Profit for year	964
Discontinued operations	
Loss from discontinued operations	-16
Total profit for the period	948
Other comprehensive income:	
Revaluation gain	420
Total comprehensive income	1,368

BOSS plc	
Statement of Financial Position	
Non-current assets	£000
Intangible assets	0
Property, plant and equipment	2,428
Investments	280
	2,708
Current assets	
Inventories	180
Trade and other receivables	1,272
Cash and cash equivalents	100
	1,552
Total assets	4,260
Current liabilities	
Trade and other payables	-420
Deferred income	-12
Financial liabilities	-16
Current tax liabilities	-180
	-628
Non-current liabilities	
Provisions	-44
Deferred income	-36
Financial liabilities	-200
Deferred tax liabilities	-188
Total liabilities	-1,096
Net Assets	3,164
Shareholders' equity	
Called up share capital	1,600
Share premium account	0
Revaluation reserve	420
Retained earnings	1,144
Equity shareholders' funds	3,164
Total equity	3,164

Statement of Changes in Equity for the year ended...

	Share Capital £000	Retained Earnings £000	Share Premium £000	Revaluation Reserve £000	Total £000
Balance as at 1 January 20xx	1,600	300	0	0	1,900
Gain on revaluation of land and buildings				420	420
Share issue	0		0		0
Profit/loss for the year		948			948
Dividends		-104			-104
Balance as at 31 December 20xx	1,600	1,144	0	420	3,164

Property, Plant and Equipment

Tangible Non-Current Assets

1,000

Cost/Valuation

	Land	Property	P&M	Total
As at 1 January	980	600	600	2,180
Additions	0	0	300	300
Revaluations	420	0		420
Disposals	0	0		0
As at 31 December	1,400	600	900	2,900

Depreciation

As at 1 January		40	300	340
Charge for year		12	120	132
Relating to disposals				0
As at 31 December	0	52	420	472

Net Book Value

As at 31 December	1,400	548	480	2,428
--------------------------	--------------	------------	------------	--------------

Workings

Cost of Sales				£000
<i>i</i>	Opening inventory			160
	Purchases of goods for resale			1,820
	Government grant receivable [60 * 20%]			-12
	Depreciation	Property	70%	8
		P&M		120
	Provision for Liability			44
				2,140
	Less: Closing inventory			-180
				1,960

Distribution costs				
<i>ii</i>	As per Trial Balance			120
	Depreciation	Property	20%	2
				122

Administration expenses				
<i>iii</i>	As per Trial Balance			488
	Depreciation	Property	10%	1
	Bad debt provision - decrease			-10
				479

Operating expenses				
<i>iv</i>	Distribution costs			122
	Administration expenses			479
				602

<i>v</i>	Finance costs			
	Debenture Interest [200 * 8%]			16

<i>vi</i>	Taxation			
	Tax for year			180
	Adjustment for over-provision			-30
	Transfer to deferred taxation			48
				198

<i>vii</i>	Deferred tax			
	As per TB			140
	Increase in deferred taxation			48
				188

viii Provisions			
			140
			48
			44
			232
ix Current liabilities			
			408
			12
			420
x Deferred income			
Government grant receivable	CL		12
Deferred income	NCL	[60 – 24]	36
			48
xi Current tax liabilities			
Tax for year			180
xii Trade and other receivables			
Trade receivables			1,200
BDP	[1,200 * 2% = 24]		-24
As per Trial Balance		34	1,176
		-10	
Prepayments and accrued income			36
Government grant			60
			1,272

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JOURNALS

			Dr	Cr
1	Inventory	SFP	180	
	Cost of Sales (Closing Inventory)	SCI		180
	<i>Being value of closing inventory at the year-end</i>			
2	Trade and other receivables	SFP	60	
	Cost of sales	SCI		12
	Deferred income CL	SFP		12
	NCL	SFP		36
	<i>Being government grant receivable</i>			
3	Cost of sales	SCI	128	
	Distribution costs	SCI	2	
	Administration expenses	SCI	1	
	Depreciation Property	SFP		12
	P&M	SFP		120
	<i>Being depreciation charges for the year</i>			
4	Freehold land	SFP	420	
	Revaluation reserve	SFP		420
	<i>Being revaluation of freehold land</i>			
5	Taxation	SCI	180	
	Current tax liabilities	SFP		180
	<i>Being corporation tax estimate for the year</i>			
6	Finance costs	SCI	16	
	Financial liabilities CL	SFP		16
	<i>Being accrued debenture interest</i>			
7	BDP	SFP	10	
	Administration expenses	SCI		10
	<i>Being adjustment to BDP</i>			
8	Taxation	SCI	48	
	Deferred tax	SFP		48
	<i>Being increase in deferred taxation</i>			
9	Cost of Sales	SCI	44	
	Provisions	SFP		44
	<i>Being claim for damages</i>			

Statement of Financial Position as at 31 December				
	Year 1		Year 2	
	£000	£000	£000	£000
Non-Current Assets				
Intangible non-current assets		260		700
Property, plant and equipment		710		1,800
Investments		1,400		1,400
		<u>2,370</u>		<u>3,900</u>
Current Assets				
Inventories	520		660	
Trade receivables	890		1,200	
Investments	240		240	
Other receivables	2		10	
Bank	60		80	
Cash	0		0	
	<u>1,712</u>		<u>2,190</u>	
Less: Current liabilities				
Trade payables	700		900	
Overdraft	11		152	
Corporation tax	120		200	
Debenture interest	10		10	
Income tax due	2		2	
Other payables	5		22	
Proposed dividends				
Ordinary	200		70	
Preference	10		10	
	<u>1,058</u>		<u>1,366</u>	
Net current assets		<u>654</u>		<u>824</u>
		3,024		4,724
Less: Non-Current Liabilities				
Debentures		<u>900</u>		<u>1,000</u>
Total net assets		<u>2,124</u>		<u>3,724</u>
Capital and Reserves				
Ordinary share capital	1,300		1,600	
Preference share capital	100		120	
		1,400		1,720
Share premium	0		50	
General reserve	200		448	
Retained profit	524		1,506	
		<u>724</u>		<u>2,004</u>
		<u>2,124</u>		<u>3,724</u>

Notes to the accounts:

1	Non-Current Asset disposal:	£000
	Net book value	160
	Sold for	210
2	Depreciation charge for year	120

Required: Prepare a Statement of Cash Flows for the year to Year 2.

STATEMENT OF CASH FLOWS

Statement of Cash Flows for year ended 31 December		
	Note	£000
Cash flows from operating activities		
Profit for the financial year		1,520
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment		120
Gain/Loss on disposal		-50
Interest paid		0
Interest received		0
Taxation		0
Decrease/(increase) in trade and other receivables		-310
Decrease/(increase) in prepayments		-8
Decrease/(increase) in inventories		-140
Increase/(decrease) in trade payables		200
Increase/(decrease) in trade accruals		17
Cash from operations		1,349
Interest paid		-10
Income taxes paid		-120
Net cash generated from operating activities		1,219
Cash flows from investing activities		
Proceeds from sale of equipment		210
Purchases of property, plant and equipment		-1,370
Purchases of intangible assets		-440
Interest received		0
Net cash from investing activities		-1,600
Cash flows from financing activities		
Issue of ordinary share capital		300
Issue of preference share capital		20
Increase in share premium		50
Issues/Repayment of borrowings		100
Dividends paid		-210
Net cash used in financing activities		260
Net increase/(decrease) in cash and cash equivalents		-121
Cash and cash equivalents at beginning of year		289
Cash and cash equivalents at end of year		168

Workings

Asset		NBV
NCA	s/y	710
	Less: Disposals	<u>160</u>
		550
	Less: Depreciation	<u>120</u>
		430
	Acquisitions	<u>1,370</u>
	e/y	<u><u>1,800</u></u>

Total Acquisitions	
Intangible	440
NCA	<u>1,370</u>
	1,810

Total Receipts	
NCA	<u>210</u>
	<u>210</u>

NCA	
Net book value	160
Receipt	<u>210</u>
Gain/loss on disposal	<u>-50</u>

Profit for financial year		£000
Retained profit	Year 2	1,506
Retained profit	Year 1	<u>-524</u>
		982
Add back:		
Proposed dividends		80
General reserve		248
Corporation tax		200
Debenture interest		<u>10</u>
		<u>1,520</u>

	Yr 2	Yr 1	Change
Bank	80	60	20
Cash	0	0	0
	-		
Overdraft	152	-11	-141
Investments	240	240	0
	<u>168</u>	<u>289</u>	<u>-121</u>

Appendix 8: Summary of Commonly Used Ratios within SQA Advanced Accounting Units

For SQA Advanced Diploma Accounting Units at SCQF levels 6, 7 and 8, these are the most commonly used ratios, but other alternatives are acceptable in line with current practice.

Profitability Ratios

'Profit before interest' is profit before interest and tax where applicable.

$$\text{Gross Profit ratio} = \frac{\text{Gross Profit}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Gross Profit percentage)

$$\text{Mark up} = \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100$$

$$\text{Operating Profit ratio} = \frac{\text{Profit Before Interest}}{\text{Net Sales (Revenue)}} \times 100$$

(also known as Operating Profit percentage)

$$\text{Return on Capital Employed (ROCE)} = \frac{\text{Profit Before Interest}}{\text{Capital Employed}} \times 100$$

$$\text{Return on Equity} = \frac{\text{Profit After Preference Dividends}}{\text{Ordinary Shares + Reserves}} \times 100$$

$$\text{Return on Total Assets} = \frac{\text{Profit Before Interest}}{\text{Non-current Assets + Current Assets}} \times 100$$

$$\text{Operating Expenses to Revenue ratio} = \frac{\text{Operating Expenses}}{\text{Net Sales (Revenue)}} \times 100$$

$$\text{Non-current Asset Turnover} = \frac{\text{Net Sales (Revenue)}}{\text{Total Net Book Value of Non-current Assets}}$$

Liquidity Ratios

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$\text{Acid Test (or Quick) ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Efficiency Ratios

$$\begin{aligned} \text{Trade Receivables Turnover} &= \frac{\text{Trade Receivables}}{\text{Credit Sales}} \times 365 \text{ days} \\ (\text{also known as Average Collection Period}) \end{aligned}$$

$$\begin{aligned} \text{Trade Payables Turnover} &= \frac{\text{Trade Payables}}{\text{Credit Purchases}} \times 365 \text{ days} \\ (\text{also known as Average Payment Period}) \end{aligned}$$

$$\text{Inventory Turnover} = \frac{\text{Average Inventory}^*}{\text{Cost of Goods Sold}} \times 365 \text{ days}$$

$$*\text{Average Inventory} = (\text{Opening Inventory} + \text{Closing Inventory}) / 2$$

OR

$$\text{Rate of Inventory Turnover (times per year)} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

$$\text{Working Capital Cycle} = \text{Trade Receivables Turnover} + \text{Inventory Turnover} - \text{Trade Payables Turnover}$$

$$\text{Working Asset Turnover} = \frac{\text{Net Working Assets}^*}{\text{Net Sales (Revenue)}} \times 100$$

$$*\text{Net Working Assets} = \text{Inventories} + \text{Trade Receivables} - \text{Trade Payables}$$

Capital Structure Ratios

$$\text{Interest Cover (times)} = \frac{\text{Profit before Interest}}{\text{Finance Costs (Interest Payable)}}$$

$$\text{Gearing ratio} = \frac{\text{Fixed Cost Capital}}{\text{Total Capital}} \times 100$$

$$\text{OR} = \frac{\text{Non-current Liabilities} + \text{Preference Share Capital}}{\text{Issued Ordinary Share Capital} + \text{all Reserves} + \text{Non-current Liabilities} + \text{Preference Shares}} \times 100$$

Investment Ratios

$$\text{Earnings per Share} = \frac{\text{Profit after Tax} - \text{Preference Dividend}}{\text{No of Issued Ordinary Shares}}$$

$$\text{Price Earnings ratio} = \frac{\text{Market Price per Share}}{\text{Earnings per Share}}$$

$$\text{Dividend Yield} = \frac{\text{Ordinary Dividend}}{\text{Market Price per Ordinary Share}} \times 100$$

$$\text{Dividend Cover} = \frac{\text{Profit for the Year} - \text{Preference Dividend}}{\text{Ordinary Dividend}}$$

$$\text{Dividend per Share} = \frac{\text{Ordinary Dividend}}{\text{No of Issued Ordinary Shares}}$$