



Advanced Higher
Coursework
Assessment Task



Advanced Higher Accounting Project Assessment task

This document provides information for teachers and lecturers about the coursework component of this course in terms of the skills, knowledge and understanding that are assessed. It **must** be read in conjunction with the course specification.

Valid from session 2022-23 and until further notice.

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Introduction

This document contains instructions for teachers and lecturers, marking instructions and instructions for candidates for the Advanced Higher Accounting project. You must read it in conjunction with the course specification.

This project is worth 60 marks. This is 30% of the overall marks for the course assessment.

This is one of two course assessment components. The other component is a question paper.

Instructions for teachers and lecturers

Early in the course, you should give candidates information about what they have to do to complete the project. This allows them time to start researching International Accounting Standards (IAS), thinking about relevant stakeholders for their project and sourcing financial statements from a company that they may wish to use.

Choosing a suitable company, IAS and stakeholders may be daunting for some candidates. You should provide them with reasonable guidance that enables candidates to meet all of the requirements of the project.

Candidates complete the project over a period of time, and should start it once they have developed the necessary skills, knowledge and understanding.

Marking instructions

In line with SQA's normal practice, the following marking instructions for the Advanced Higher Accounting project are addressed to the marker. They will also be helpful for those preparing candidates for course assessment.

Candidates' evidence is submitted to SQA for external marking.

General marking principles

Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.

- a Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- b If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.
- c The report must be between 3,000 and 4,000 words, excluding bibliography, appendices, references and footnotes. There is a penalty for exceeding the word count by more than 10%.
- d Candidates must use IAS terminology in the report.
- e Candidates gain marks for specific skills, knowledge and understanding as follows:

Describe: candidates must make relevant factual points. These should be characteristics and/or features appropriate to the question asked. These points can relate to a concept, process or situation.

Candidates must provide straightforward points, or a smaller number of developed points, or a combination of these. Up to the total mark allocation, award:

- ◆ 1 mark for each relevant factual point
- ◆ 1 mark for any further development of a relevant point, including exemplification, if appropriate

Explain: candidates must make accurate, relevant points that relate cause and effect, and/or make relationships clear. These points can relate to a concept, process or situation.

Candidates must provide straightforward points of explanation, or a smaller number of developed points, or a combination of these. Up to the total mark allocation, award:

- ◆ 1 mark for each relevant factual point
- ◆ 1 mark for any further development of a relevant point, including exemplification, if appropriate

Evaluate: candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something, based on criteria. They should be able to determine the value of something within context. Up to the total mark allocation, award:

- ◆ 1 mark for each accurate evaluative comment
- ◆ 1 mark for any further development of a relevant point, including exemplification, if appropriate

Detailed marking instructions

Report section	Mark range	Additional guidance
<p>Annual reports: theory</p> <p>Candidates must:</p> <ul style="list-style-type: none"> describe the general strengths and weaknesses of company annual reports 	0-6	<p>Award a maximum of 6 marks for describing the strengths AND weaknesses of company annual reports.</p> <ul style="list-style-type: none"> Award 1 mark for each relevant description of a strength or a weakness. Award 1 mark for further development of a description – up to a maximum of 5 marks for strengths OR weaknesses.
<p>Annual reports: application</p> <p>Candidates must:</p> <ul style="list-style-type: none"> outline the FTSE 100 company use both financial and non-financial information to evaluate the usefulness of the annual report of the company, from the perspective of two stakeholders 	0-21	<p>Award a maximum of 3 marks for providing relevant background information about the company. Do not award background marks if the company is not a FTSE 100 company.</p> <p>Award a maximum of 18 marks for evaluating whether or not the annual report serves the purpose of the two stakeholders. Evaluation must use information from the company’s annual report and other research information generated.</p> <ul style="list-style-type: none"> Award 1 mark for each accurate evaluative comment. Award 1 mark for further development of an evaluative comment – up to a maximum of 10 marks for one stakeholder.

Report section	Mark range	Additional guidance
<p>International Accounting Standards: theory</p> <p>Candidates must:</p> <ul style="list-style-type: none"> ◆ explain the need for IAS ◆ explain the process for developing an IAS ◆ choose two of the following IAS – IAS1, IAS2, IAS7, IAS8, IAS10, IAS16, IAS37, IAS38, IFRS13, IFRS15 or any other relevant standard – and explain why they were developed 	<p>0-16</p>	<p>Award a maximum of 8 marks for explaining the need for IAS. Candidates can refer to:</p> <ul style="list-style-type: none"> — why the International Accounting Standards Board (IASB) was created — the subsequent development of its conceptual framework — real-life events which have led to the need for and creation of international standards — any other relevant information <ul style="list-style-type: none"> ◆ Award 1 mark for each relevant explanation. ◆ Award 1 mark for further development of an explanation – up to a maximum of 3 marks for each explanation. <p>Award a maximum of 2 marks for explaining the process of developing an IAS.</p> <ul style="list-style-type: none"> ◆ Award 1 mark for each relevant explanation. ◆ Award 1 mark for further development of the explanation. <p>Award a maximum of 6 marks for explaining why the chosen IAS were developed.</p> <ul style="list-style-type: none"> ◆ Award 1 mark for each relevant explanation. ◆ Award 1 mark for further development of an explanation – up to a maximum of 4 marks for each standard.

Report section	Mark range	Additional guidance
<p>International Accounting Standards: application</p> <p>Candidates must:</p> <ul style="list-style-type: none"> ◆ explain the ways in which the company has applied the selected IAS within the annual report 	0-10	<p>Award a maximum of 10 marks for explaining the ways in which the company applies the selected standards.</p> <p>Suitable standards include IAS1, IAS2, IAS7, IAS8, IAS10, IAS16, IAS37, IAS38, IFRS13, IFRS15 or any other relevant current standard.</p> <ul style="list-style-type: none"> ◆ Award 1 mark for each accurate evaluative comment. ◆ Award 1 mark for further development of an evaluative comment – up to a maximum of 6 marks for each standard.
<p>References</p> <p>Candidates must:</p> <ul style="list-style-type: none"> ◆ provide references to enable a third party to locate the information and include appendices, if appropriate 	0-3	<p>Award a maximum of 3 marks for clear and consistent referencing and appendices.</p> <p>Candidates must ensure that appendices are relevant and concise. They should include a maximum of four A4 pages of appendices.</p>
<p>Conclusion</p> <p>Candidates must:</p> <ul style="list-style-type: none"> ◆ draw a relevant conclusion 	0-4	<p>Award a maximum of 4 marks for drawing a relevant conclusion.</p> <p>In their conclusion, candidates must state whether the modern-day annual report provides meaningful information to stakeholders.</p> <p>To gain full marks, candidates must refer to both quotes provided.</p>

Instructions for candidates

This assessment applies to the project for Advanced Higher Accounting.

This project is worth 60 marks. This is 30% of the overall marks for the course assessment.

It assesses the following skills, knowledge and understanding:

- ◆ applying knowledge of the accounting regulatory framework

Your teacher or lecturer will let you know if there are any specific conditions for doing this assessment.

In this assessment, you have to:

- ◆ select an annual report of a FTSE 100 company
- ◆ apply knowledge of the accounting regulatory framework to analyse the annual report
- ◆ evaluate the extent to which the annual report complies with the requirements of any two identified IAS
- ◆ evaluate the extent to which the annual report meets the needs of any two identified stakeholders
- ◆ present findings in a coherent and structured manner, using the headings specified on the following page

The project allows you to develop your knowledge of Advanced Higher Accounting and apply this knowledge to a context of interest. You should work independently to demonstrate planning, research, problem-solving, evaluation, and presentation skills.

Assessment task

The objective of financial reporting is to provide meaningful information to help investors and other stakeholders make informed decisions. Both of the quotes below question the validity of the modern-day annual report.

1 ‘Company Annual Reports: fat, useless and full of jargon.’

(Jon Moulton, venture capitalist)

2 ‘Corporate reports are growing ever more complex. They are becoming longer, and richer in content. However, with the need to address various standards, the resulting reports are not always harmonious and often fail to communicate clearly. Even for technical experts they can be hard to use. And the primary audience is increasingly unclear – can the needs of both regulators and other stakeholders be satisfied by the same document?’

(Adapted from *Re-assessing the value of corporate reporting*, ACCA)

Your task is to produce a written report on whether or not the modern-day annual report provides meaningful information to stakeholders. You must base the report on the two quotes above.

Your report must be between 3,000 and 4,000 words, excluding bibliography, appendices, references and footnotes. If the word count exceeds the maximum by 10%, a penalty is applied.

You **must** use the following headings for each section of your report, and cover all the bullet points:

Annual reports: theory

6 marks

- ◆ Describe the strengths and weaknesses of company annual reports. This does not need to be directly linked to your chosen FTSE 100 company. (6)

Annual reports: application

21 marks

- ◆ Outline your chosen FTSE 100 company. (3)
- ◆ Use both financial and non-financial information to evaluate the usefulness of the annual report of the company, from the perspective of two stakeholders. (18)

A stakeholder can be an investor, lender, employee, supplier or anyone interested in using the annual report to help them make financial and other decisions.

International Accounting Standards: theory

16 marks

- ◆ Explain the need for IAS. (8)
- ◆ Explain the process for developing an IAS. (2)

- ◆ Choose two of the following IAS – IAS1, IAS2, IAS7, IAS8, IAS10, IAS16, IAS37, IAS38, IFRS13, IFRS15 or any other relevant standard – and explain why they were developed. (6)

International Accounting Standards: application

10 marks

- ◆ Explain the ways in which the company has applied the selected IAS within the annual report. (10)

References

3 marks

- ◆ Provide references to enable a third party to locate the information, and include appendices, if appropriate. (3)

Conclusion

4 marks

- ◆ Draw a relevant conclusion. Your conclusion must state whether the modern-day annual report provides meaningful information to stakeholders. In the conclusion, you must refer to the quotes by Jon Moulton and ACCA provided. (4)

Additional guidance

Before you begin work on your project, you should read the SQA booklet *Your Coursework*. This provides you with essential information and rules to help you when producing your project.

Research and referencing

The information you use in the report must be current, relevant and referenced to a credible source.

The purpose of referencing is to:

- ◆ clearly show which ideas or words are not your own
- ◆ provide enough information for someone else to find the source of those ideas or words
- ◆ present this information consistently

You must reference any information from books, journals, government reports, online sources, and other types of media, together with specialist organisations and relevant individuals.

Downloading directly from the internet or copying directly from books without acknowledgement is plagiarism. It is also plagiarism to present others' ideas as your own.

You can use any system of referencing, provided it meets the following requirements:

- ◆ Clearly cite the source of any words, diagrams or other information that is not your own. Do this in the text and list the sources alphabetically at the end of the report.

- ◆ Use quotation marks around any text that has come directly from another source, and identify clearly what that source is.
- ◆ Include a bibliography to show all references.

Referencing styles

Books

In the text:

‘IAS1 aims to prescribe the basis of presentation of financial statements, and to ensure comparability with previous periods and with the financial statements of other entities. The standard gives the minimum information required in financial statements.’ (Finch, 2012, p15)

In the bibliography:

Finch, C. (2012), *A student's guide to International Financial Reporting Standards*, 3rd ed, Kaplan Publishing

Websites or online journals

In the text:

‘Organisations of all sizes are increasingly expected to measure and report on their environmental performance or risk losing out to competitors who do record their environmental performance.’ (HM Government, 2019, p6)

In the bibliography:

HM Government (2019), *Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance*. Available from:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791529/Env-reporting-guidance_inc_SECR_31March.pdf
 [accessed 05 April 2019]

You must reference the date accessed and the full URL:

<https://assets.publishing.service.gov.uk/> is not enough in the bibliography, as it does not lead to the cited content. You can reference relevant accounting journals accessed online using this format.

Choosing a company, stakeholders and International Accounting Standards

- ◆ Choose a FTSE 100 company, **two** stakeholders and **two** IAS that have been applied in the annual report of your chosen company.
- ◆ Carry out some initial background research to establish if you can gather enough suitable information to use in the report.
- ◆ Discuss your choices with your teacher or lecturer before starting the project.

Selecting, analysing and evaluating evidence

- ◆ Gather your research findings, and select the most important and relevant information to include in the report.

- ◆ Evaluate your information. You can support your evaluation with some or all of the following:
 - data from any tables, charts, graphs or diagrams
 - reference to relevant accounting theory
- ◆ Combine information from different sources.
- ◆ Include a maximum of four A4 pages of evidence in an appendix to the report to support your analysis and conclusion, if appropriate. Note: you gain marks for the content in the report, not for any information in the appendix.
- ◆ Draw your conclusion based on your research findings and evaluation.

Producing your report

Use your research evidence to produce a report. Your report should:

- ◆ be well-structured and clear, using the headings provided
- ◆ include any relevant and accurate information, and evaluative comments, based on your research evidence
- ◆ use tables, charts, graphs and diagrams, if appropriate – you should place these under the correct headings and refer to them to support your analytical and evaluative points
- ◆ use relevant accounting theory and terminology throughout
- ◆ include a valid conclusion based on the evidence gathered, and referring to both quotes
- ◆ include appropriate references
- ◆ have an appendix, if required
- ◆ have a bibliography at the end
- ◆ include a word count – the word count **does not** include any bibliography, appendices, references or footnotes

Administrative information

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History of changes

Version	Description of change	Date
1.1	Clarified the requirements for 'Annual reports: theory' section of the 'Detailed marking instructions' and the 'Assessment task'.	August 2022
1.2	Removed any reference to (International Accounting Standard) IAS 18 and replaced with (International Financial Reporting Standard) IFRS 15.	July 2023

Note: you are advised to check SQA's website to ensure you are using the most up-to-date version of this document.

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