



# **Course report 2024**

## **National 5 Accounting**

This report provides information on candidates' performance. Teachers, lecturers and assessors may find it useful when preparing candidates for future assessment. The report is intended to be constructive and informative, and to promote better understanding. You should read the report with the published assessment documents and marking instructions.

We compiled the statistics in this report before we completed the 2024 appeals process.

# Grade boundary and statistical information

## Statistical information: update on courses

Number of resulted entries in 2023: 795

Number of resulted entries in 2024: 755

## Statistical information: performance of candidates

### Distribution of course awards including minimum mark to achieve each grade

<b>A</b>	Number of candidates	430	Percentage	57.0	Cumulative percentage	57.0	Minimum mark required	130
<b>B</b>	Number of candidates	123	Percentage	16.3	Cumulative percentage	73.2	Minimum mark required	110
<b>C</b>	Number of candidates	88	Percentage	11.7	Cumulative percentage	84.9	Minimum mark required	90
<b>D</b>	Number of candidates	43	Percentage	5.7	Cumulative percentage	90.6	Minimum mark required	70
<b>No award</b>	Number of candidates	71	Percentage	9.4	Cumulative percentage	100	Minimum mark required	N/A

We have not applied rounding to these statistics.

You can read the general commentary on grade boundaries in the appendix.

In this report:

- ◆ 'most' means greater than 70%
- ◆ 'many' means 50% to 69%
- ◆ 'some' means 25% to 49%
- ◆ 'a few' means less than 25%

You can find statistical reports on the [statistics and information](#) page of our website.

# Section 1: comments on the assessment

## Question paper

The question paper performed generally as expected. Feedback from markers and centres suggested that the paper offered the appropriate level of demand and allowed candidates to use the subject knowledge and skills they had developed throughout the course.

Performance in the question paper was slightly better than in session 2022–23 and an adjustment was made to the Grade A boundary to reflect that the paper may have been slightly less challenging for the Grade A candidate.

It was concerning to see that in question 1, a few candidates produced an Income Statement when the question asked for a Statement of Financial Position. This year was the first time that the preparation of a financial statement had been asked in both the assignment and the question paper (Income Statement in assignment and Statement of Financial Position in question paper). A few candidates who attempted the question scored 0/19 and a few candidates did not attempt the question at all. It seems that some candidates were underprepared for this question or unaware that a Statement of Financial Position question could be asked. The course specification clearly states that 'where financial statements are assessed, Income Statements and Statements of Financial Position may be classed as separate topics' and goes on to state that if one was assessed in the assignment, the other could be assessed in the question paper.

Once again, candidate performance in theory questions was poor. Of the 12 theory marks in the paper, the average candidate score was below half the available marks at 47%.

## Assignment

This was the first year that the assignment component of the course had been assessed since 2019. The 2024 assignment performed in line with the 2019 assignment with the average mark being the same.

The assignment was well answered by candidates with performance, on average, 8% higher in the Assignment than in the Question Paper.

Although formula was used well by most candidates, many candidates were unable to access marks as they inserted numbers instead of cell referencing. Truncation of formula in 'formula view' printouts seemed to be less prevalent than in previous assignments.

## **Section 2: comments on candidate performance**

### **Question paper**

In the two 35-mark questions, there was very little difference in performance between the two questions overall. However, as both questions had been broken up into Part A/B, there was a difference in attainment within the questions. Performance in Question 1 Part B (Documents) was better than performance in Question 1 Part A (Statement of Financial Position). Performance in Question 2 Part B (Inventory Control) was significantly better than performance in Question 2 Part A (Break-Even Analysis).

Of the four 15-mark questions, candidate performance was highest in Question 4 (Cash Budgets) and Question 6 (Labour Costing). Both questions were answered significantly better than Question 5 (Ledgers) and Question 3 (Correction of Errors).

### **Areas that candidates performed well in**

In addition to the questions highlighted above, good candidate performance was also noted in:

- ◆ Question 1 PART A: although it was highlighted earlier that a few candidates either scored 0 or made no attempt to answer the question, many candidates scored 16/19 or above indicating these candidates had a sound knowledge of financial statements.
- ◆ Question 2 PART A(a) and (b): although break-even analysis is one of the harder topics, the first parts of this question were done well with candidates able to interpret a basic break-even chart to a high level.

### **Areas that candidates found demanding**

Question 2 PART A(e)(i) and (ii): Despite these questions being the same as previous years, candidates struggled to manipulate break-even data and some did not even attempt the questions with these questions having a high volume of 'no responses'.

Question 3: Amendments to Gross Profit (in addition to Profit for the Year) was assessed at National 5 for the first time, and this seemed to confuse many candidates who did not address this aspect of the question. Q3(d) was the lowest scoring question across the paper with most candidates unable to match the error described to its classification.

Question 5: Once again, Ledgers proved challenging for candidates. Many candidates included the asset purchase in the Purchases account and many candidates were also unable to deal with the bankruptcy properly.

Question 6: Although this was a well answered question in general, there were many candidates who did not calculate an overall total — just departmental totals. Calculating overall totals accounted for 3 marks in the question and some candidates did not attain these marks.

## **Assignment**

### **Areas that candidates performed well in**

Task 1: Candidates had been well prepared in how to prepare an Income Statement, and this was the highest scoring question in the assignment.

Task 2: Most candidates were able to use the formula sheet provided to calculate basic ratios.

Task 4: This question was surprisingly well answered as decision making tends to be one of the more challenging topics. Most candidates scored at least 9 out of the 11 available marks and some scored full marks.

### **Areas that candidates found demanding**

Task 2: Many candidates did not make adjustments to sales and purchases made on credit when calculating the payment and collection ratios, which meant they were unable to gain marks. In addition, candidates encountered difficulty when trying to ascertain the Current Assets and Current Liabilities figures to be used in ratios.

Task 3: Candidates performed poorly in this question, which had the lowest average score in the assignment. It was clear that whilst candidates knew how to perform ratio calculations, many did not understand the reasons why ratios change year on year and how to improve the figures.

## **Section 3: preparing candidates for future assessment**

Teachers and lecturers should ensure that they are familiar with all aspects of the course specification to ensure that candidates are fully prepared for assessment. Performance seemed to indicate that some candidates were underprepared for some topics. Many candidates appeared to be unable to prepare a Statement of Financial Position in the question paper despite being able to adequately prepare an Income Statement in the assignment. Also, many candidates were unable to amend gross profit when dealing with correction of errors, despite this requirement being included in the course specification.

As highlighted in last year's Course Report, future questions may have more of a requirement to 'work ratios backwards' for some of the available marks, to provide the necessary challenge within a question. Teachers and lecturers should ensure these types of questions are included in their teaching of the topic.

Teachers and lecturers should ensure that candidates understand the importance of cell referencing when completing the assignment. Many candidates did not gain marks because they inserted figures instead of cell referencing. . To help with this, future assignments will require complete cell referencing in all formulae. Previous assignments have contained an element of data input, alongside cell referencing; for example, a percentage given in the 'hard copy' printout of the assessment might have to be input by the candidate as data, as there is no cell in the spreadsheet containing this information to enable them to cell reference. By adopting this approach in future, it should be clearer to future candidates that no 'numbers' should be input and they must always cell reference.

Teachers and lecturers should share the advice in this report with candidates when they are preparing for assessment.

## Appendix: general commentary on grade boundaries

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

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

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

It is very challenging to get the standard on target every year, in every subject, at every level. Therefore, SQA holds a grade boundary meeting for each course to bring together all the information available (statistical and qualitative) and to make final decisions on grade boundaries based on this information. Members of SQA's Executive Management Team normally chair these meetings.

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

- ◆ The grade boundaries can be adjusted downwards if there is evidence that the question paper or other assessment has been more difficult than usual.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the question paper or other assessment has been less difficult than usual.
- ◆ Where levels of difficulty are comparable to previous years, similar grade boundaries are maintained.

Every year, we evaluate the performance of our assessments in a fair way, while ensuring standards are maintained so that our qualifications remain credible. To do this, we measure evidence of candidates' knowledge and skills against the national standard.

During the pandemic, we modified National Qualifications course assessments, for example we removed elements of coursework. We kept these modifications in place until the 2022–23 session. The education community agreed that retaining the modifications for longer than this could have a detrimental impact on learning and progression to the next stage of education, employment or training. After discussions with candidates, teachers, lecturers, parents, carers and others, we returned to full course assessment for the 2023–24 session.

SQA's approach to awarding was announced in [March 2024](#) and explained that any impact on candidates completing coursework for the first time, as part of their SQA assessments, would be considered in our grading decisions and incorporated into our well-established

grading processes. This provides fairness and safeguards for candidates and helps to provide assurances across the wider education community as we return to established awarding.

Our approach to awarding is broadly aligned to other nations of the UK that have returned to normal grading arrangements.

For full details of the approach, please refer to the [National Qualifications 2024 Awarding — Methodology Report](#).