



2010 Accounting & Finance

Standard Grade – Credit

Special Instructions

Finalised Marking Instructions

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2010 Standard Grade – Accounting and Finance

Credit Paper

Special Instructions

ACCEPT consequential errors

LOSE award for any items omitted

Question 1

(a) Mark as per solution

Columns "Quantity to Cost" – any items wrong/missing

Any sub-total wrong/missing – lose award for Amount Due

Trade Discount wrong (watch for consequentiality)

Trade Discount added – lose award for Amount Due

If NGV shown correctly but no TD.
Award one mark for TD calculation.

VAT rounded up or down

VAT deducted – lose award for Amount Due

VAT Alternative solutions – see separate sheet

If Cash Discount shown on document

If delivery deducted – lose award for Amount Due

If delivery added to NGV before calculation of VAT, lose
Delivery award and VAT is consequential

Candidates final figure is Amount Due and gets final award

(b) Mark as per solution

(c) Mark as per solution

(d) Mark as per solution
Any other acceptable source with justification
If justification is the same for second source – lose award

Award Marks Lost	Penalties
-1	
-1	
-1	
-1	
-1	
ACCEPT	
-1	
	-1
-1	
-2	

Question 1

(a) Alternative Solution
Correct Solution

3 M/25 mm Copper Piping	12·00	36·00	} 1
2 Copper Angle Joints	40·00	80·00	
		116·00	
Less TD – 10%		11·60	2
		104·40	
Add VAT – 17·5%		17·35	3
		121·75	
Add Delivery		5·00	1
Total Due		126·75	1
			(8)

Alt 1		Alt 2		
Details	1	Details	1	
116·00		116·00		
11·60	2	11·60	2	
104·40		127·60		
18·27	2	22·33	2	
122·67		149·93		
5·00	1	5·00	1	
127·67	1	154·93	0	
	(7)		(6)	

Alt 3		Alt 4		
Details	1	Details	1	
116·00		116·00		
11·60	2	11·60	2	
104·40		104·40		
18·27	2	5·22	-1	CD
86·13		99·18		
5·00	1	17·35	3	
91·13	0	116·53		
	(6)	5·00	1	
		121·53	1	(6)

Award Marks Lost	Penalties

Question 2
(a)&(b)

Mark as per solution

Wrong/omitted dates

Wrong/omitted nomenclature

Any reasonable nomenclature

Do not penalise nomenclature if consequential on transaction

Mark nameless accounts if identifiable by its figures

If accounts completely reversed –
AWARD half marks (max = 8)

If one entry correct mark as per solution

If Sales and Machinery Account balances are reversed AND 2nd May Sales are debited, then Sales entry and everything that follows is consequential

If Sales on 2nd May are credited 4th and 7th May are as per solution

Sales

Mark as per solution

If transaction for 2 May treated as Purchases – lose marks for Purchases, VAT and M Prescott A/c's and accept transaction for 4 May in Purchase Returns, VAT and M Prescott as consequential

Purchases

Bank

Machinery

VAT

Mark as per solution

M Prescott

Mark as per solution

2 May – Sales £4,000 DR & VAT £700 DR

4 May – Sales Returns £200 CR & VAT £35 CR

Sales Returns

Mark as per solution

Bad Debts

Mark as per solution

May be consequential

Any extra entries per translation

Award Marks Lost	Penalties
ACCEPT	-1 max
ACCEPT	-1 max
-8	
-3	
ACCEPT for 1 mark ACCEPT for 1 mark	
	-1 EACH

Question 2 (continued)

- (c) Mark as per solution
Only 2 marks available for P&L A/c effects
Only 2 marks available for Balance Sheet effects

- (d) Mark as per solution
1 mark for naming Account
3 × 2 marks for explanation

- (e) Mark as per solution
2 marks for explanation
2 × 2 marks for reasons

Award Marks Lost	Penalties

Question 3

(a) Mark as per solution

No heading (Cash Budget and months need to be mentioned)

Op Bal (July) – right or wrong – if wrong

Sales: Cash – right or wrong – 1 mark for **line** – if wrong

Credit – right or wrong – 1 mark per **entry** – if wrong

If total Sales shown correctly award 3 marks – if wrong lose award

Purchases – right or wrong – 1 mark per **entry** – if wrong

Rent, Insurance, Wages and Electricity
right or wrong – any line wrong -1 mark per line

Preference Dividend – 1 mark for calculation
- 1 mark for entry

If £3,000 entered twice

If month wrong but figure correct/visa versa

Ordinary Dividend – right or wrong – if wrong
If shown twice

If actual shares are shown

Delivery Van – right or wrong – if wrong
If shown twice

If Cash In sub-total is wrong (accept £37,250 and £42,000)

If Cash Out sub-total wrong

Closing Balances – right or wrong – if wrong

August Opening Balance – consequentially right or wrong –
must be the same as July Closing Balance

If shown as a list – marks may be awarded if items are in
correct order and addition /subtraction has taken place to
calculate Closing balance

(b) Any 2 valid benefits

(c) To gain full award there must be an explanation of **both**
Ordinary and Preference share differences
Maximum of 3 marks, for Preference/Ordinary Share
differences

(d) Any acceptable Source for 1 mark and Justification for
2 marks

Award Marks Lost	Penalties
	-1
-1	
-1	
-1 each	
-1 each	
-2 max	
	-1
-1	-1 (max)
-1	-1 (max)
	-1
	-1
-1	-1
	-1 per line
	-1 per line
-1 each time	
-1	
ACCEPT	

Question 5

- (a) (i) Mark as per solution
- Heading wrong/missing
- Any figure omitted/wrong
- Any extraneous items
(Current/Capital A/c balances, Drawings)
- Salary**
added to Net Profit – lose Residual Profit award
- Interest on Capital**
wrong figure
added to Net Profit – lose Residual Profit award
- Share of Profit**
wrong figure
added to Residual Profit
- If Interest on Capital is actual Capital Balance
– No award for Interest
– No Penalty
- If Appropriation A/c not attempted OR Interest on Capital not included in part (i), 2 marks can be awarded for calculation in Current A/c's**
- (ii) Mark as per solution
- Op Balance of **Niven** must be **DR** – if not lose award
- Op Balance of **Brown** must be **CR** – if not lose award
- Dates wrong/missing
- Nomenclature wrong/missing
- No reversal**
If Capital Balance Shown in Current A/C
If not in account form
- (b) Mark as per solution
Any acceptable benefits and costs
2 × 2 marks for benefits and 2 × 2 marks for costs
- (c) Mark as per solution
Any acceptable reason

Award Marks Lost	Penalties
lose award	-1 max
-1	-1 max
-1 each time	
-1 each time	-1 max
-1	
-1	
	-1 max
	-1 max
lose award	-1E max
ACCEPT	
ACCEPT	

Question 6

- (a) **Watch out for consequentiality – especially relating to Cost of Sales AND Average Stock**

Cost of Sales

Mark as per solution

If wrong and no working shown

If wrong and working is shown – mark accordingly (accept the wrong figure in calculation of ROST)

Average Stock

Mark as per solution

£6,000 2 marks

£12,000 1 mark

If any of above are calculated accept in ROST

Ratios

Mark as per solution

Correct and no working – Award full marks

Wrong and no working

One of the constituent parts of the ratio must be correct (or consequentially correct) to gain consequential marks for answer

- (b) Mark as per solution

Reasons may be consequential to answer in part (a)

NP% – Any acceptable reason for 2 marks

ROST – Any acceptable reason for 2 marks

If same reason given for both - lose award for ROST reason

- (c) Mark as per solution

DO NOT ACCEPT NP% OR ROST

Any other ratios accept

1 mark for ratio name (or formulae) and 2 marks for any acceptable reason for calculation

DO NOT ACCEPT SAME REASON TWICE

Award Marks Lost	Penalties
Lose award	
Lose award	

[END OF MARKING INSTRUCTIONS]