



Course report 2024

Higher 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: 1,232

Number of resulted entries in 2024: 1,148

Statistical information: performance of candidates

Distribution of course awards including minimum mark to achieve each grade

A	Number of candidates	511	Percentage	44.5	Cumulative percentage	44.5	Minimum mark required	128
B	Number of candidates	214	Percentage	18.6	Cumulative percentage	63.2	Minimum mark required	109
C	Number of candidates	145	Percentage	12.6	Cumulative percentage	75.8	Minimum mark required	90
D	Number of candidates	120	Percentage	10.5	Cumulative percentage	86.2	Minimum mark required	71
No award	Number of candidates	158	Percentage	13.8	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](https://sqa.my/) page of our website.

Section 1: comments on the assessment

Question paper

The question paper assessed a wide range of topics and was perceived to be fair and accessible. Question 1(b) performed better than expected.

Assignment

The assignment performed as expected, with most candidates displaying strong knowledge of the topics assessed.

Section 2: comments on candidate performance

Areas that candidates performed well in

Question paper

Question 1(b) — Cash Budgets: many candidates appeared comfortable with the layout of the Cash Budget and demonstrated that they were prepared for this topic. As the cash sales and credit sales units were given in the question, this made it easier for candidates to calculate the value of cash sales and credit sales.

Question 2 Part A(b) — Statement of Financial Position: many candidates appeared well prepared for this financial statement, displaying excellent layout knowledge. In addition, many candidates also used appropriate headings and labels.

Question 2 Part B(a) — Partnership Current Account: most candidates accurately updated Heslop's current account based on the figures provided in the question.

Question 2(b)(i) and (ii) — Calculating the share of profit or loss on revaluation and a new profit-sharing ratio: many candidates attempted this part of the partnership question well.

Question 3 Part A — Inventory Record Card (AVCO): most candidates performed very well in this question. This was especially the case when candidates used the layout outlined in past paper marking instructions. This ensured candidates provided all necessary information.

Question 3 Part B(a)(i) and (ii) — Process Account and Abnormal Loss Account: most candidates performed well in both the process account and abnormal loss account. Many candidates used the recommended SQA layouts, which improved performance.

Question 4(a)(i) and (ii) — Gearing ratio and comment: most candidates were comfortable with the gearing calculation and could identify the company which would generate the highest return to the ordinary shareholders and justify their choice.

Assignment

Task 1 — Manufacturing Account: most candidates knew the layout of this financial statement, resulting in this question being tackled well. The inclusion of appropriate headings and labels was evident in many candidate scripts.

Task 3(a) and (b) — Decision making: most candidates coped well with the initial contribution per unit calculations and the total profit. As the contribution per machine hour was specifically asked for in (b), this allowed some candidates to pick up more marks than might normally be the case for this topic.

Areas that candidates found demanding

Question paper

Question 1(a) — Production Budget: some candidates did not know how to correctly construct a production budget, or they incorrectly added opening inventory and deducted closing inventory.

Question 2 PART B(b)(iii) — New Equity Account balances: many candidates were unable to update the equity balances for each partner, although they had already correctly calculated the information in an earlier part of the question.

Question 4(b) — Investment ratios: some candidates continue to find investment ratios challenging, not knowing how to calculate the profit available for distribution to the ordinary shareholders. This is a common first step, often required before the investment ratios can be calculated.

Question 4(c) — Investment ratios: many candidates failed to display their answer with an appropriate value, for example £ or times or displayed their answer with an incorrect value. As the formulae are provided in the question paper, candidates are expected to know the value of each ratio.

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

Assignment

Task 1 — Income Statement (up to Gross Profit): some candidates displayed very poor layout knowledge of this financial statement and were incorrectly adjusting the sales revenue figure for opening inventory etc, in list form. The purchase of finished goods or the market value of finished goods was often omitted from the cost of sales calculation.

Task 2 — Service costing: some candidates did not use cell references when completing this task. This impacted on up to 9 marks.

Only a few candidates correctly calculated the renovation costs as they failed to consider that only 25% of the warehouse would be used for canteen purposes.

Task 3(c) — Decision making (accept/reject a special order): most candidates found this element of task 3 challenging and gained very few marks or did not attempt this part of the task.

Task 3(d) — Benefits of decision making: some candidates did not respond to this question and many candidates did not gain the 4 marks on offer.

Section 3: preparing candidates for future assessment

Question paper

Practising past papers or individual past paper questions under timed conditions can help candidates considerably.

Candidates should practise theory questions for each topic area in their preparation. Teachers and lecturers are encouraged to incorporate theory questions into timed questions and end of topic assessments. This should help to ensure candidates are better prepared and are able to tackle theory questions in the question paper.

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

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

Candidates can use the answer booklet in landscape rather than portrait when setting out process and abnormal loss accounts and inventory record card responses.

If candidates use spreadsheets, they should be encouraged to indicate each question element in column A of the spreadsheet. This column should be narrowed for this purpose.

If candidates use spreadsheets rather than the answer booklet, they should display any workings in brackets. Many candidates are unable to gain marks due to incorrect responses not being backed up by worked calculations.

If using spreadsheets, candidates must ensure their spreadsheet printouts include all parts of each response and are not truncated. They should also check that their printouts are clear and easily read.

If using spreadsheets for the question paper or tasks 1 and 3 of the assignment, candidates should not provide formula printouts. The only formula printout to be reviewed by markers will be task 2 of the assignment.

Assignment

Task 2 — Spreadsheet task: candidates must use cell references where applicable. Only occasionally should candidates key-in figures from scratch into a formula. Candidates must ensure their formula view printout fully displays each formula and is not truncated.

Topic-specific guidance

Production Budget and Cash Budget

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

Income Statement (appropriation section) and Statement of Financial Position of a plc

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

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

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

Partnership Accounts — Updating Current Accounts/Admission of a new partner

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

If asked for the new equity account balances, candidates do not need to display this information in ledger format. Please refer to 2024 marking instructions, question 2 PART B (b)(iii). The inclusion of the current account balance in the new equity account balance should only occur if the question specifically instructs candidates to do so.

Inventory valuation

The inventory record card heading must include the item of inventory the card relates to, for example material Z rather than the name of the business. Candidates must include a 'Date' and 'Details' column. They must also show 'Quantity', 'Price', and 'Value' for all receipts, issues, and balance entries. Omitting this necessary information disadvantages candidates. SQA marking instructions illustrate the recommended layout.

Process and Abnormal Loss Accounts

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

Investment Ratios

A gearing ratio must be displayed in the following manner :1.

Investment ratio responses must be accompanied by a correct value, for example £, % or times.

When calculating the 'Total profit available for distribution to the ordinary shareholders', candidates must deduct debenture finance costs first from operating profit before the calculation and deduction of corporation tax. Candidates can then deduct Preference Dividends. The 2024 question paper marking instructions illustrate this.

Manufacturing Accounts

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

The abbreviation of terms, for example opening inventory of rm should be discouraged. As this is a financial statement, terms must be shown in full.

Decision making

When a special order is being considered, it is advisable for candidates to clearly show the contribution per unit for the special order, followed by its contribution per limiting factor. Although candidates may struggle to fully answer an accept or reject order question, these basic calculations will gain marks.

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](#).