



Course report 2025

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 2025 appeals process.

Grade boundary and statistical information

Statistical information: update on courses

Number of resulted entries in 2024: 1,148

Number of resulted entries in 2025: 1,275

Statistical information: performance of candidates

Distribution of course awards including minimum mark to achieve each grade

Course award	Number of candidates	Percentage	Cumulative percentage	Minimum mark required
A	566	44.4	44.4	128
B	246	19.3	63.7	110
C	185	14.5	78.2	92
D	110	8.6	86.8	74
No award	168	13.2	100%	Not applicable

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 or equal to 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 as expected. Feedback from the marking team, teachers and lecturers indicated that it was positively received by centres and was fair and accessible for candidates.

Assignment

The assignment performed better than expected. Tasks 1(a), 2 and 3(b) proved to be less demanding for candidates than intended.

Section 2: comments on candidate performance

Areas that candidates performed well in

Question paper

Question 1(a)(i) (ii) and 1(b) — Overhead Analysis Statement and the re-apportionment of service department overheads: most candidates produced high-quality Overhead Analysis Statements and were able to re-apportion the service department overheads correctly. Many candidates also performed well in the calculation of overhead absorption rates.

Question 2(a)(ii) — Partnership Current Accounts: many candidates accurately updated both partners' current accounts.

Question 2(a)(iii) — Partnership 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(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 and could access all available marks.

Question 4(b)(i) — Calculating the Profit for the Year after debenture finance cost and tax: many candidates accurately calculated this vital figure using the information provided.

Assignment

Task 1(a) — Manufacturing Account: most candidates knew the layout of this financial statement, resulting in candidates tackling this question well. Many candidate scripts included appropriate headings and labels.

Task 1(b) — Types of inventory: most candidates were able to accurately outline the three types of inventories listed in the question.

Task 2 — Process Account and Abnormal Loss Account: most candidates accurately used cell references when completing both accounts in this spreadsheet task. It was also clear that candidates had prepared well, and fully understood the steps involved in the completion of a Process Account, using the spreadsheet template layout provided.

Task 3(a) and 3(b) — Production and Cash Budgets: most candidates were comfortable with the layout of both budgets.

Areas that candidates found demanding

Question paper

Question 1(c) — Calculation of over-absorbed and under-absorbed overheads: some candidates found applying the overhead absorption rates calculated in question 1(b) to the actual figures provided for each department challenging. Candidates often incorrectly compared the departmental overhead totals from their Overhead Analysis Statement with the actual overheads provided in the question.

Question 1(d) — Preparation of a Job Cost Statement: many candidates omitted the Prime cost label or placed it incorrectly on the statement. In addition, many candidates also failed to include Overhead costs within their statement.

Question 1(e) — Calculation of a factory-wide overhead absorption rate: most candidates were unable to correctly carry out this calculation and some candidates did not attempt this question.

Question 2(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 required information in earlier sections of the question.

Question 4(b)(iii) — Calculation of profits to be retained: some candidates were unable to accurately calculate the dividend to be paid to ordinary shareholders based on the dividend rate per share provided in the question.

Question 4(b)(iv)(v)(vi) and 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 within the question paper, candidates are expected to know how each ratio answer should be displayed.

Theory questions: except for question 1(f)(ii), most candidates missed theory marks because their responses lacked sufficient quality. Some candidates made no attempt to respond to any theory questions.

Assignment

Task 1(a) — Income Statement: some candidates did not gain marks due to poor layout knowledge. Some candidates incorrectly adjusted the sales revenue figure for items, such as opening inventory, in list form. Many candidates found the adjustment to the provision for doubtful debts challenging, and treated the adjustment as an expense.

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 as part of their preparation.

Teachers and lecturers are encouraged to incorporate theory questions into timed questions and end-of-topic assessments. This should help ensure candidates are better prepared and are able to tackle theory questions within 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 layout rather than portrait layout when setting out Overhead Analysis Statements 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, they should display any workings in brackets. Many candidates were unable to gain marks because their incorrect responses were not supported by worked calculations. Candidates must not provide formula printouts. They will not be marked.

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 easy to read.

Teachers and lecturers are encouraged to train candidates in the most appropriate page format — for example, portrait for financial statements and landscape for Inventory Valuation — when printing spreadsheet work.

Assignment

Task 2 — Spreadsheet task: candidates must use cell references where applicable. Only occasionally should candidates key in figures from scratch into a formula.

Task 2 — Candidates must ensure their formula view printout fully displays each formula, and is not truncated.

If using spreadsheets for tasks 1 and 3 of the assignment, candidates should not provide formula printouts. The only formula printout that markers will review is task 2 of the assignment.

Topic-specific guidance

Overhead analysis

Candidates must include an appropriate heading, for example ‘Overhead Analysis Statement’ or ‘Overhead Analysis Sheet’. The omission of a heading will mean that one mark cannot be awarded.

Partnership Accounts

Income Statement (appropriation section) and Statement of Financial Position: 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 in the

'Formulae and course support' section on [our website](#). Past paper marking instructions also illustrate acceptable layouts.

Candidates should be discouraged from abbreviating terminology within these financial statements, for example 'Add carr in'. Candidates must write all terms in full on financial statements.

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

Updating Current Accounts or Admission of a new partner Current Accounts should have Date, Details, Dr, Cr and Balance column headings.

New Equity Account balances: candidates do not need to display information in ledger format. Please refer to the 2025 Higher Accounting question paper marking instructions, question 2(b)(iii), for guidance.

Inventory valuation

The inventory record card heading must include the item of inventory the card relates to, for example 'Material ST200'. The name of the business is not required.

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 severely disadvantages candidates, meaning they are unable to gain marks. SQA past paper marking instructions illustrate the recommended layout.

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 2025 Higher Accounting question paper marking instructions illustrate this.

Manufacturing Accounts

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

Teachers and lecturers should discourage candidates from abbreviating terms, for example 'opening inventory of rm'. As this is a financial statement, terms must be shown in full.

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 'Quantity', 'CPU', and '£' to ensure all available marks are attainable. SQA past paper marking instructions show the most appropriate layout for these accounts.

The first entry in an Abnormal Loss Account must show where the loss occurred, for example 'Process 2', and not the words 'abnormal loss'.

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.

Appendix: general commentary on grade boundaries

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

For most National Courses, we aim 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, we hold 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 our 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. We 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.

For full details of the approach, please refer to the [Awarding and Grading for National Courses Policy](#).