

# Accounting

2011 Assessment Report



Government  
of South Australia

**SACE**  
Board of SA

# ACCOUNTING

## 2011 ASSESSMENT REPORT

### OVERVIEW

Assessment reports give an overview of how students performed in their school and external assessments in relation to the learning requirements, assessment design criteria, and performance standards set out in the relevant subject outline. They provide information and advice regarding the assessment types, the application of the performance standards in school and external assessments, the quality of student performance, and any relevant statistical information.

### SCHOOL ASSESSMENT

#### Assessment Type 1: Skills and Applications Tasks (50%)

The skills and applications tasks provide an opportunity for all learning requirements from the subject outline to be explored throughout the year with varying assessment design criteria included in each task. Well-designed learning and assessment plans (LAPs) were identified as ones that focused on a limited number of specific assessment design criteria for each task. This allowed students greater opportunities to achieve at all levels of the performance standards. Tasks with a large number of assessment design criteria often resulted in students only providing superficial answers, making achievement at the higher performance standards difficult to identify.

Students were able to show achievement at the higher levels of the performance standards when presented with a well-balanced set of skills and applications tasks. An even blend of practical application and theoretical discussion allowed students to perform at high levels. Ideally, each task should have some blend of both theory and practice to allow students to address all aspects of the subject outline. Where the focus of tasks was heavily weighted towards practical application, it became difficult for students to demonstrate achievement at the highest level of the performance standards. This was also true of tasks that relied heavily on multiple-choice questions. Examples of well-designed tasks often included previous exam questions that had been significantly reworked to provide a new scenario, with additional questions that gave students the opportunity to show their higher-order skills relative to the performance standards.

A broad range of topics was evident from the skills and applications tasks presented at moderation. It was obvious that some tasks were designed to allow students to extend themselves. However, in certain cases these tasks led to students exploring areas beyond the scope of the subject outline. While it was pleasing to note the efforts made by teachers in this situation, the impact was that students were spending time on areas that did not contribute to the assessment design criteria.

#### Assessment Type 2: Report (20%)

The transitioning of the report from a component of the external assessment to an integral part of the school assessment appears to have been successful. As a result,

well-designed reports share many similarities with past exam questions but have been modified appropriately to allow students to be assessed against all assessment design criteria.

Better student responses were evident when tasks allowed students to evaluate a limited number of ratios, based on both the income statement and the balance sheet, and then to consider other relevant factors to that particular case. This type of report design considered the requirements that the report be done under supervised conditions and that it be not more than one hour in length. By limiting the number of calculations required and including extra qualitative information to consider, students were afforded the opportunity to achieve at the higher end of the performance standards in all assessment design criteria.

Students who achieved well against the performance standards were not only able to comment on the results of the ratio calculation but were also able to interpret those results. These comments were well structured and adhered to the report structure and requirements included in the subject outline.

## **EXTERNAL ASSESSMENT**

### **Assessment Type 3: Examination (30%)**

#### **General Comments**

Overall the practical questions were answered well, with the highest marks on average being achieved in Questions 3 and 4. The most successful students were able to achieve at the highest level by combining their practical application with a sound understanding and communication of the theory components of the questions.

Students are reminded to:

- include calculations in their answers, as this helps markers to award some marks even if the final answer is incorrect
- avoid using abbreviations in their answers
- write clearly.

This section should be read in conjunction with the exam paper.

#### **Question 1**

This question resulted in the second-lowest average mark for the examination. The majority of students were able to correctly complete the debtors' control account, with the common error being the misuse of account titles. This level of achievement was not maintained throughout the rest of the question, with the inventory control account and allowance for doubtful debts account proving difficult for many students. The better students were able to correctly use account titles and also transfer the full amount of the bad debt to the allowance account.

The majority of students attempted to define 'prudence'; however, a large number identified the application of potentially undervaluing or overvaluing items, rather than correctly defining the concept as using care and caution. Better student responses to part (e)(ii) correctly made the link to the balance sheet and correct valuation of accounts receivable.

## Question 2

This question reported the lowest average score, highlighting the reliance many students placed on practical application of their learning. Better-performing students in part (a) were not only able to identify the relevant entity concepts but also apply them correctly to the specific business in question as required.

In part (c), identification of the users was generally done well. Students who scored well were then able to identify decisions that actually made use of the balance sheet, rather than generic decisions. Part (c)(iv) proved difficult for a number of students, with many restating the decision being made and not being able to clearly describe how the balance sheet would be used to make the decision.

Overall, part (d) was done poorly. The concept of depreciation as an allocation of cost was only identified by a limited number of students and only the most successful students were able to link the concepts of relevance and reliability to part (d)(ii).

## Question 3

This question was the most successfully answered in the examination. Parts (a), (b) and (e) were completed successfully by the majority of students. Minor errors included not showing interest as a separate payment in part (b), incorrect application of the discount in part (d), and miscalculation of creditors and wages in part (e).

Only the top-performing students were able to identify the need to have positive cash flows from day-to-day operations in part (c).

Part (f) was reasonably well answered, with most students identifying the vehicle and drawings as problem areas. Better answers were then able to go on and state how that particular cash budget could be used to identify a possible delay in the purchase of the vehicle or an alternative funding option for the vehicle.

Similarly, only the better responses were able to identify at part (g) that the cash flow is a historical document that shows cash movements and therefore provides a comparison point for control, while the cash budget is a prediction that should be compared to actual results.

Parts (h), (i) and (j) were generally well answered. The common error was for students to list the income statement, rather than the bank reconciliation statement at part (h). High-scoring students correctly identified at part (j) that the credit balance was from the bank's point of view, while the debit was from the business' perspective.

## Question 4

This was the second-most successfully answered question and was only marginally below Question 3 in terms of an average score.

Part (a)(ii) caused difficulty for some students who were not able to identify that the new item purchased needed to be depreciated separately over part of the year. Apart from this, the majority of students answered parts (b) and (c) well. The balance sheet was generally completed correctly, with only a small number of students including items that belonged on the income statement. The best-performing students were able to identify net profit as the 'balancing' item and correctly calculated this figure after including all other information.

Part (d) was answered well, with the best answers correctly identifying that the average was needed for the owner's equity in part (i) and then going on to clearly state how improvement could be achieved at part (iv) rather than just giving a generic comment.

Part (e) was generally well answered.

## **OPERATIONAL ADVICE**

Overall, the transition of Accounting to include moderation of the school assessed component was a smooth one. The following points may assist teachers in the development and presentation of materials for the future.

- Teachers are reminded that the opportunity exists to make minor amendments to LAPs, particularly following clarifying forums. Any such changes should be reflected on a LAP addendum.
- For moderation purposes, teachers should:
  - identify each piece of student work clearly, i.e. a SACE number or student name assists in locating work. Some teachers chose to do both.
  - group all of a student's work into a single folder or bag and include a summary sheet of all marks
  - clearly mark individual student work and highlight the evidence used to determine the performance standard, as this assists the moderators to confirm the teacher's marks.
- Attendance at clarifying forums where possible is strongly encouraged to allow teachers to confirm that their approach to the subject and task design is appropriate.

## **GENERAL COMMENTS**

The importance of task design that met the requirements of the subject outline and allowed students to achieve at all the performance standard levels was commented on repeatedly during moderation.

More exemplar materials will be available through clarifying forums and the online support materials.

Chief Assessor  
Accounting