

Accounting

Advanced GCE A2 H401

Advanced Subsidiary GCE AS H001

Report on the Units

January 2010

H001/H401/MS/R/10J

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This report on the Examination provides information on the performance of candidates which it is hoped will be useful to teachers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding of the specification content, of the operation of the scheme of assessment and of the application of assessment criteria.

Reports should be read in conjunction with the published question papers and mark schemes for the Examination.

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F003 Unit 3 – Management Accounting

General Comments

The entries for the legacy papers were very small and standards varied across the full grade range. Candidates were able to complete the paper in the allotted time. Some candidates related their accounting knowledge in general terms, rather than relating to the specific requirements of questions.

Comments on Individual Questions

- 1(a) Most candidates correctly calculated the break-even and margin of safety in units, although some did not show their sales value. Most candidates correctly calculated the profit showing contribution per unit in their calculations.
- (b) Many candidates correctly calculated the profit under each option; some, however, did not show the contribution per unit. Some candidates calculated total sales and total variable cost and this frequently resulted in arithmetic errors. Arithmetic errors are less likely if unit calculations are used to arrive at contribution per unit prior to multiplying by quantity.
- (c) Few candidates were able to correctly calculate the sales in units to maintain the draft profit level under option 1. Some candidates entered fixed costs at the level for the draft forecast.
- (d) Many candidates presented detailed effects of changing to an overseas supplier, frequently correctly commenting on redundancies and adverse publicity.

Quality of written communication marks were awarded to candidates presenting answers in a clear and fluent style with good spelling, punctuation and grammar.

- 2(a) Most candidates correctly calculated the material and labour rate variances; whilst some did not use the correct formulae for usage and efficiency variances. Some candidates did not state if variances were adverse or favourable.
- (b) Few candidates presented a correct reconciliation statement and frequently formats were poor.
- (c) Comments frequently related to general reasons for variances, rather than specifically relating to the question.

- 3(a) The direct entries were correctly entered by many candidates; however, few correctly calculated the depreciation on plant. Few candidates correctly calculated the Profit and Loss value for the period. The direct balances brought down were correctly shown by many candidates.

Quality of written communication marks were awarded to candidates presenting answers to good accounting format, including appropriate use of columns and sub totals.

- (b) Whilst many candidates correctly identified the prudence and realisation concepts, many responded in general terms, rather than applying to the specific question.
- (c) Many candidates focussed on general support measures, rather than relating to the support specifically for employees taking early retirement.

F004 Unit 4 – Company Accounts and Interpretation

General Comments

Again, there were only a very small number of candidates, totalling 24. Overall the standard was good, although it was evident that the weaker candidates had not prepared for the examination

Work was generally well presented and there was no evidence of candidates not having enough time to complete the examination.

Comments on Individual Questions

- 1(a) Very well answered by the high ability candidates with good format, layouts and clear workings. It was a common error for most candidates not to include the calls not paid as an asset. Weak candidates had not prepared for the examination and did not produce accounts in the correct format or show the workings.
- 1(bi) Well answered by good candidates. Many weaker candidates did not attempt a response
- 1(bii) Some very good answers but weak candidates gave no response or confused bonus shares with a rights issue of shares. Good answers made reference to the dilution of the share price and how it helps a company maintain its cash balance.
- 2(a) Very well answered by high ability candidates who prepared correct ledger accounts. Weaker candidates had not prepared for this question and were unable to record the correct double entry in the ledger accounts. A common mistake for weaker candidates involved a reversal of entries and the incorrect calculation of share premium.
- 2(b) Well answered by most candidates. Weaker candidates were able to give an explanation of overdrafts and loans, but could not explain the factoring of debts.
- 3(a) Very well answered by many candidates who showed correct calculations for the net profit and net cash flow from operating activities. Weaker candidates had not prepared for this question and were unable to show workings or the layout of a cash flow statement
- 3(b) Some good answers on debentures with clear explanations of increasing debt and gearing. Good answers included an explanation of how debenture holders do not have voting rights and would not affect control. Some very poor answers from weaker candidates who were not prepared for this question

Grade Thresholds

Advanced GCE Accounting (H001 H401)
January 2010 Examination Series

Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F003	Raw	100	80	70	60	50	40	0
	UMS	100	80	70	60	50	40	0
F004	Raw	100	85	75	65	56	47	0
	UMS	100	80	70	60	50	40	0

Specification Aggregation Results

Overall threshold marks in UMS (ie after conversion of raw marks to uniform marks)

Overall Grade	Maximum Mark	A	B	C	D	E
H001	200	160	140	120	100	80
H401	400	320	280	240	200	160

The cumulative percentage of candidates awarded each grade was as follows:

	A	B	C	D	E	U	Total Number of Candidates
H001	100.0	100.0	100.0	100.0	100.0	100.0	2
H401	23.3	30.0	56.67	76.67	100.0	100.0	30

For a description of how UMS marks are calculated see:

<http://www.ocr.org.uk/learners/ums/index.html>

Statistics are correct at the time of publication.

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