

Accounting

Advanced GCE A2 H411

Advanced Subsidiary GCE AS H011

Report on the Units

June 2009

H011/H411/MS/R/09

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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 syllabus 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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Advanced Subsidiary GCE Accounting (H011)

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Chief Examiner's Report

This was the first year for the new specification and the examiners were encouraged by the response given to the specification. Standards varied and some excellent scripts were presented and a wide range of marks achieved. Entries for F011 were a mix of re-sit and first time entries, whilst F012 was for first time entries only.

As in the previous specification, comment is made on the need for the correct narrative within ledger accounts and, again, this to be reiterated. Frequently marks in ledger accounts are for the correct narrative and value, ie. the correct entry.

Quality of written communication marks are built into mark schemes and some candidates do not gain the marks available due to poor presentation of accounting statements. The use of a ruler would improve presentation for some candidates.

Frequently, values in accounting statements are made up of various calculations with marks, sometimes, being awarded for calculations leading to a final value. Some candidates omitted calculations and lost marks by presenting an incorrect final value only. This was particularly evident for the calculation of sales and purchases in the incomplete records question on Unit F012.

Finally, the use of past paper material from the previous specification as a teaching resource is to be encouraged for the new specification.

F011 Unit 1 – Accounting Principles

General Comments

As seems to be common with the first AS level paper, candidates were often relatively well prepared for the first question, and achieved respectable marks.

However, focus on the first question during preparation and revision may have been to the detriment of Question 2. Many candidates, whilst scoring good marks on Question 1, then struggled to pass the paper due to poor performance on the second question.

The evidence from candidates' scripts suggests that candidates had sufficient time to complete the paper.

Comments on Individual Questions

Question 1

The Trading Account was generally well completed by many candidates. Common errors were omitting to offset sales returns against sales and failing to deduct drawings of stock from purchases.

The most common omission in the Non-Trading Income section was the decrease in provision for doubtful debts. Often candidates failed to calculate or realise that the provision was reduced and showed the entry as an expense.

The Profit and Loss Account was generally well attempted. Common problems related to accruals and prepayments, with some candidates reversing the required adjustments.

Presentation of the Balance Sheet was generally good. Common problems were failing to show debtors net of the provision for doubtful debts and failing to show 50% of the loan as a current liability and 50% as a long term liability.

Question 2

The most persistent issue for many candidates was the use of incorrect or unacceptably abbreviated ledger account entry names; in particular with respect to balance entries. This issue can lead to a significant loss of marks for a candidate. Specifically, if a candidate only uses the word 'Balance' they will gain no mark as the examiner is unable to ascertain from a candidate's script whether the balance has been carried or brought down. Centres and candidates should note the following: the only acceptable abbreviation for 'Balance' is 'Bal'; the only acceptable abbreviation for 'Brought down' is 'b/d', for 'Brought forward', it is 'b/f' or 'b/fwd'. Likewise, the only acceptable abbreviation for 'Carried down' is 'c/d', for 'Carried forward', it is 'c/f' or 'c/fwd'. Responses for questions 2(a)(i) and (iii) often failed to apply the 25 pence in the pound final settlement with respect to Jose Violet.

With respect to both questions 2(d) and(e), candidates often tended to describe how a business might monitor and control its debtors or the mechanics of how to calculate the provision for doubtful debts respectively, whereas these questions asked for 'Discuss the reasons why.....' and 'Explain two factors.....'. Candidates need to become more aware that a higher order skill and understanding needs to be demonstrated in order to attract higher marks for this type of question.

F012 Unit 2 – Financial Accounting

General Comments

Candidates were generally able to demonstrate a good knowledge of, and apply a good range of accounting skills, to all four questions. A wide range of abilities was seen with many candidates showing a good understanding. Most candidates were able to attempt all four questions in the time allotted. Despite this, a minority did not complete the balance sheet in Question 1, indicating how important it is to read the instructions and information provided with care.

Comments on Individual Questions

1(a) Few candidates were able to present a perfect set of partnership accounts; however, many achieved very high marks. Presentation would be improved with the use of a ruler. Common errors in the Profit and Loss Account included deducting the bank interest in the expenses rather than adding it as income. Most candidates were able to correctly adjust the expenses for accruals and prepayments. Most were able to correctly calculate the interest on drawings and interest on capital; only a minority deducted the interest on drawings and added the interest on capital.

On the Balance Sheet most candidates were able to adjust the fixed assets to incorporate the accumulated depreciation and most subtotaled the figure. In the current assets, a few candidates failed to calculate the net debtors figure; and bank interest was often omitted. Working capital was often not calculated. The financed by section was often poorly completed with many candidates failing to show the breakdown between the partners. A number of candidates also failed to complete the Balance Sheet. It is important that candidates read the requirements of the question.

1(b) Many candidates were able to correctly complete the Current Account; however, a minority lacked knowledge as to which side the entries should be, and some produced a list rather than an account.

1(c) Again, this part of the question was generally well completed, with many candidates achieving full marks.

2(a) The majority of candidates were able to correctly calculate the ratios from the information given, although ROCE and stockturn proved a little more challenging. A number of candidates lost marks by failing to show any signage of the ratios. A number of candidates achieved no marks as they had obviously not learnt the formulas.

2(b) Some excellent answers demonstrating good knowledge and analysis of the ratios were presented. However, a number of candidates merely repeated what they had calculated - failing to move into analysis of the ratios.

3(a) Few candidates were awarded full marks on this part of the question. Many did not show their workings for purchases and sales and, therefore, lost valuable marks if the net figure was incorrect. Loan interest was often calculated incorrectly.

3(b) Fixed Assets were calculated correctly in the majority of cases, although a number of candidates failed to correctly calculate the bank balance within current assets and also included the loan interest as an asset. Many candidates were unable to calculate the opening capital correctly, often showing the capital at £36,000 which was, in fact, the additional capital invested during the year.

Report on the Units taken in June 2009

- 3(c) On the whole this part of the question was well answered. However, a few candidates bullet-pointed their answers and, therefore, failed to develop their answers. thus losing valuable marks.
- 4(a) This part of the question proved quite challenging for a number of candidates, with few perfect accounts. However, many candidates achieved reasonable marks. Common errors included incorrect narrative for bank, failing to correctly adjust the entries for the errors or reversal of the entries.
- 4(b) This part of the question was generally not well answered. Some candidates were unsure about what the question required of them, and failed to show any response, even though a similar question has been asked numerous times in previous examinations.
- 4(c) The purchases ledger control account proved challenging with incorrect narratives, reversal of entries and failure to adjust to correct the errors.
- 4(d) This part of the question was not well answered with some candidates lacking knowledge of the requirements of the question.
- 4(e) There were a wide range of answers to this part of the question. There were some excellent answers showing good knowledge and understanding. Weaker answers were vague and referred to the reasons for drawing up control accounts rather than answering the question as to how they act as a deterrent against fraud.

Grade Thresholds

Advanced GCE Accounting (H011 H411)
June 2009 Examination Series

Unit Threshold Marks

Unit		Maximum Mark	A	B	C	D	E	U
F011	Raw	80	65	58	51	45	39	0
	UMS	80	64	56	48	40	32	0
F012	Raw	120	93	80	68	56	44	0
	UMS	120	96	84	72	60	48	0

Specification Aggregation Results

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

	Maximum Mark	A	B	C	D	E	U
H011	200	160	140	120	100	80	0

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

	A	B	C	D	E	U	1594
H011	9.7	23.7	39.6	55.9	71.1	0	2163

1594 candidates aggregated this series

For a description of how UMS marks are calculated see:

http://www.ocr.org.uk/learners/ums_results.html

Statistics are correct at the time of publication.

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