

National Certificate of Educational Achievement

2012 Assessment Report

Accounting Level 1

- 90976 Demonstrate understanding of accounting concepts for small entities**
- 90978 Prepare financial statements for sole proprietors**
- 90980 Interpret accounting information for sole proprietors**

STANDARD REPORTS

90976 Demonstrate understanding of accounting concepts for small entities

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- identified and defined an appropriate concept for the question asked
- recognised financial elements
- described the components of a cash budget.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- attempted an insufficient number of questions
- showed a narrow understanding of accounting concepts
- showed a narrow understanding of financial elements.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- explained appropriate concepts using the relevant information provided
- explained the characteristics of financial elements using the resource material
- explained the nature of accounting.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- integrated the resource material into concept explanations by explaining how and why the concept applied to *AJ Builders*
- applied the elements of financial elements using details and specific account names
- applied accounting concepts by explaining the impact on a specific financial statement/s.

OTHER COMMENTS

It is important that candidates write complete descriptions or definitions when answering questions.

A scaffolding approach to answering concept questions is a useful technique as it allows candidates to clearly describe the concept being assessed then explain and apply it to the given context. This helps prevent candidates from missing key aspects of a concept and then allows development to the higher level.

Candidates need to use the resource material provided as their starting point to develop their explanation.

It is more important to answer one or two concepts in detail and depth than to define many concepts. It is also important to realise that some concepts are more relevant to the question than others.

90978 Prepare financial statements for sole proprietors

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- classified elements in the financial statements
- understood some of the financial elements that are used to calculate cost of goods sold.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- could not classify financial elements within a financial statement
- could not classify financial elements between the financial statements
- did not complete more than one financial statement.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- treated the in-depth balance day adjustments correctly
- classified elements in the financial statements
- distinguished most of the cash and non-cash items in the budget.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- calculated and treated the comprehensive adjustments correctly
- distinguished cash and non-cash items in the budget
- had minimal or no foreign items in their financial statements.

OTHER COMMENTS

Many candidates showed a clear understanding of the preparation of financial statements for sole proprietors. A large number of these candidates had such good skills that they were able to present perfect statements across the entire examination paper.

90980 Interpret accounting information for sole proprietors

ACHIEVEMENT

Candidates who were awarded Achievement for this standard demonstrated the required skills and knowledge. They typically:

- described the meaning of percentages/ratios
- described reasons for the trend in a percentage/ratio
- calculated correct analysis measures.

NOT ACHIEVED

Candidates who were assessed as Not Achieved for this standard lacked some or all of the skills and knowledge required for the award of Achievement. They typically:

- showed a narrow understanding of the components of the analysis measures
- did not read the question correctly
- attempted an insufficient number of questions.

ACHIEVEMENT WITH MERIT

In addition to the skills and knowledge required for the award of Achievement, candidates who were awarded Achievement with Merit typically:

- explained the meaning of the percentage/ratio including the context and an example
- explained a reason for the trend in the percentage/ratio by including how their reason impacted the item being asked
- explained a recommendation by explaining how the business could achieve the desired outcome.

ACHIEVEMENT WITH EXCELLENCE

In addition to the skills and knowledge required for the award of Achievement with Merit, candidates who were awarded Achievement with Excellence typically:

- incorporated the resource material in to their answers
- explained in detail the reason for the trend in the percentage/ratio by including the link from the component to the percentage/ratio
- justified a recommendation by linking the recommendation to the components of the percentage/ratio.

OTHER COMMENTS

Candidates are encouraged to incorporate the resource material into their answers.