

# Assessment Report

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Standards [91174](#) [91176](#) [91177](#)

### Part A: Commentary

Across the three standards, higher grades were awarded to candidates who:

- made effective use of the resource material provided
- answered in context of the business(es) in the resource material
- were precise with figures
- were concise with their explanations.

### Part B: Report on standards

91174: Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems

Candidates who were awarded **Achievement** commonly:

- described concepts using the context but not the figures provided, where relevant.

Candidates whose work was assessed as **Not Achieved** commonly:

- described concepts with no reference to the context or the figures provided
- restated the question without actually answering it.

Candidates who were awarded **Achievement with Merit** commonly:

- explained concepts using the context and figures provided, where relevant; for example, explained that the \$4000 printing expenses in advance relates to the next accounting period so is a current asset at the end of the current accounting period
- used appropriate accounting terminology in their answers.

Candidates who were awarded **Achievement with Excellence** commonly:

- justified concepts effectively and included the context and provided figures where relevant; for example justified how Ben's contribution of \$25 000 was an increase in capital / equity that is not caused by either income or profit increasing.

### Standard-specific comments

Candidates gain higher grades when they use accounting language in their answers and engage with the context and figures provided. This allows them to better demonstrate their understanding of how the concepts are applied to the reporting of financial elements in the financial statements of sole proprietors.

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## 91176: Prepare financial information for an entity that operates accounting subsystems

Candidates who were awarded **Achievement** commonly:

- processed general journal entries for accrual adjustments that did not involve GST
- entered balances in general ledger accounts

- classified correctly most income statement and statement of financial position items with some omissions and / or errors in figures subject to a balance-day adjustment
- identified most receipts and payments in the cash flow statement.

Candidates whose work was assessed as **Not Achieved** commonly:

- misclassified items both within and across the financial statements
- omitted too many items and / or made too many errors in relation to balance-day adjustments within the financial statements
- completed general journal entries within their general ledger accounts.

Candidates who were awarded **Achievement with Merit** commonly:

- processed entries in the general journal and general ledger accounts for accrual and invoice adjustments, making minimal errors in relation to GST
- understood the printing and distribution cost classification in the income statement
- understood the process but used incorrect labels in the accounts receivable note
- understood the statement of financial position should balance but did not recognise the profit given in Resource B
- made errors in determining either cash from accounts receivable or cash paid to accounts payable
- entered nearly all cash received and cash payments items in the cash flow statement.

Candidates who were awarded **Achievement with Excellence** commonly:

- processed entries in the general journal and general ledger accounts for accrual and invoice adjustments and correctly entered relevant closing entries
- understood the context, making no classification errors or omissions in the financial statements
- made accurate use of Resource B, understanding the profit in the closing entry, even if it meant (via one error or omission) their statement of financial position did not balance

- understood the closing balance of accounts receivable at 31 March was the opening balance on 1 April
- classified all cash receipts and payments in the cash flow statement and correctly calculated the closing balance from an opening overdraft position.

### Standard-specific comments

Data accuracy assists candidates to achieve higher grades. Candidates should be encouraged to use an estimation test on their ledger balances and totals of expenses, assets, liabilities, cash receipts and cash payments.

Candidates should take care with zeros.

Candidates who understand the nature of the business are better able to correctly classify items within the financial statements and across the financial statements.

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## 91177: Interpret accounting information for entities that operate accounting subsystems

Candidates who were assessed as **Achievement** commonly:

- used the context in their interpretation without referring specifically to the analysis measures / figures to support their answers.

Candidates who were awarded **Not Achieved** commonly:

- described the analysis measures with no reference to the context or the analysis measures / figures provided
- copied the resource information but did not use it to answer the questions.

Candidates who were awarded **Achievement with Merit** commonly:

- used the context and some analysis measures to support their explanations of the analysis measures / figures
- made recommendations in context.

Candidates who were awarded **Achievement with Excellence** commonly:

- effectively used the context and specific analysis measures / figures to support their justifications of the analysis measures

- understood the links between analysis measures / figures and their flow on effects / impacts on other analysis measures / figures
- made supported recommendations in context.

### **Standard-specific comments**

Candidates striving for higher grades need to ensure they engage fully with the context and the analysis measures provided.

Specific reference to the analysis figures to support their interpretation in context demonstrates a higher level of understanding.

Use of abbreviations is unhelpful in written answers interpreting analysis measures in context.

### **[Accounting subject page](#)**

### **Previous years' reports**

[2019 \(PDF, 309KB\)](#)

[2018 \(PDF, 112KB\)](#)

[2017 \(PDF, 46KB\)](#)

[2016 \(PDF, 213KB\)](#)