



**General Certificate of Education (A-level)
January 2013**

Accounting

ACCN4

(Specification 2120)

**Unit 4: Further Aspects of Management
Accounting**

Report on the Examination

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General

It was encouraging to see that the majority of students attempted all the questions and that the paper produced some strong responses to both prose and computational tasks.

Many students are now presenting numerical answers using excellent layouts which are well labelled and easy to follow. This was especially appropriate to the labour budget and calculation of net present value which allowed the own figure rule to be applied where necessary. It is pleasing to see that the majority of students are now also showing clearly labelled workings. However, some students who included incorrect figures in a task which were not supported by workings could not be rewarded. This was a particular issue with question 10, calculation of the net present value; marks were lost in this way.

Many students produced well thought out written responses which were applied very well to the given scenario. It was extremely pleasing to see numerical applications in these responses where students had thoroughly familiarised themselves with the scenario and discussed implications of given decisions at length. A very small minority of students needed to respond to the specific task requirement to ensure that their answers were wholly relevant. This was especially applicable to question 11 which clearly stated only financial factors were to be discussed. Valuable time was lost by students mentioning non-financial factors, sometimes, at length.

Some students need to think more carefully about how much is required for each written task. Where a task is worth only a few marks it is not appropriate to provide an extensive response and students will waste time. This was most apparent in question 8 where students were writing a number of pages which must have caused them to lose valuable time for other questions.

Students should be mindful to ensure they are clear on the question requirements as there were a minority of students who stopped short of a full answer in some cases. For example, calculating total variable cost only for question 1 where the question states clearly 'expected full production cost'.

Quality of Written Communication marks were frequently rewarded for high levels of communication in the prose responses, students displayed accurate spelling, punctuation and grammar as required for the marks. A minority of students failed to attain marks for QWC as their responses were difficult to follow and sometimes illegible. Students who used traditional, rather than international terminology, were not penalised.

Task 1

- 01** This question was generally answered well, however a minority of students stopped short of a complete answer not fully understanding how to calculate an absorption rate.
- 02** The own figure rule allowed students many to then go on to score full marks for the selling price calculation. Students should be reminded to check the answers make sense; the selling price should of course be more than the total cost.
- 03** Some centres had prepared their students exceptionally well in understanding the limitations of absorption costing, however this was not always the case.

Task 2

- 04** It was extremely pleasing to see the improvement in students' ability to prepare a labour budget. The workings were often very clear and well labelled. However, students must be encouraged to read the question. Whilst it clearly stated the budget must show figures for each department, a notable number only showed the total figures and lost many marks. Some students still showed no workings.
- 05** This question was answered well by a good number of centres where students had evidently been well prepared. Some students did not fully grasp the question requirements.
- 06** Although the ability to flex the figures before calculating variances has evidently improved for a notable number of students, many are still unable to correctly identify the correct figure to flex. More are not labelling or incorrectly labelling the variance and some not making a reference to whether the variance is favourable or adverse.
- 07** The own figure rule allowed full marks to be awarded here in many instances. However where students had calculated the incorrect figure and failed to include workings no marks could be awarded. Some students did not include the variances already available in the question in their response.
- 08** The least successful students did not fully grasp the question requirements and merely recited reasons why the variances could be adverse or favourable rather than their usefulness to the financial manager. Others applied their knowledge well and were able to apply the variances they had calculated in their written responses.

Task 3

- 09** This question required students to calculate net cash flows and then calculate the payback period. Overall, it was pleasing that the majority of students are now presenting their workings well. So even where the net cash flows were not calculated correctly the student could still gain high marks for the correct process. Those who lost marks did so for including depreciation in their net cash flow calculations. Students should be discouraged from severely rounding or rounding down.
- 10** Full marks were awarded to many students answering this question. A good answer was supported by detailed workings. Students must remember to identify the actual amount of net present value not merely the present value column. The quality of presentation mark was awarded for this. Some students incorrectly included depreciation in their calculations.
- 11** The majority of students were able to answer this question very well. It was impressive that a number of students impressively calculated the drop in contribution whilst a few went on to apply the facts of the scenario extremely well and score maximum marks. Students should be encouraged to support any arguments with financial analysis wherever possible.

Task 4

- 12** This was, on the whole, an extremely well answered question. Students dropped marks for not covering a suitable range of implications or by failing to indicate the impact of the decision of using the machine to the company. It was encouraging to note that a number of students attempted to provide positive and negative implications of using the machine. On the whole the majority of students achieved full marks for quality of written communication.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the Results statistics page of the AQA Website.

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