

Commentary on candidate evidence

The candidate evidence has achieved the following marks for each task of this Assignment

Candidate 1

Overall – the candidate scored **39 out of 50 marks**.

Task 1

The candidate was awarded **11 out of 13 marks** for value view.

The candidate was awarded **2 out of 2 marks** for formula view.

- ◆ Provision for bad debts is incorrect
- ◆ Discount received is incorrect
- ◆ The candidate was awarded the nomenclature mark even though they called provision for bad debts "depreciation" as no mark was awarded in first place. However, if candidate had correct figure of 750 do not award (DNA) the layout award.
- ◆ Both formula marks awarded as cell references were used correctly.

Task 2

The candidate was awarded **13 out of 14 marks** for value view.

The candidate was awarded **2 out of 4 marks** for formula view.

- ◆ DNA current assets mark in value view as the candidate used the current liabilities figure instead of the closing inventory figure for the first mark (14,600 + 10,000). The candidate is awarded the second mark as they have deducted provision for bad debt (PBD) (consequentially £7,500) and added the receivable of £350. Therefore, 1 mark is awarded as they have used both PBD (consequentially) and electricity receivable.
- ◆ Trade receivables collection period is awarded 2 marks in value view as candidate has gone wrong, not through accounting knowledge, but due to their inability to construct a formula with brackets – therefore DNA a mark in formula view.
- ◆ Acid-test ratio - same as above. Even though it is the same "type" of error, DNA a formula view mark each time within the different groupings.

Task 3

The candidate was awarded **4 out of 6 marks** for value view.

- ◆ Current ratio - DNA award as incorrect reason
- ◆ Trade payables payment period - DNA award as incorrect reason
- ◆ Trade receivables collection period - mark awarded as although candidate is talking in future tense, they have shown enough knowledge that tightening credit control does improve this ratio.
- ◆ Acid-test ratio - mark awarded as there is an indication of selling more.

Task 4

The candidate was awarded **4 out of 8 marks** for value view.

The candidate was awarded **3 out of 3 marks** for formula view.

- ◆ Machine hours required, total contribution, fixed costs and maximum profit are all incorrect - DNA 4 marks. (DNA mark for maximum profit as fixed costs added).
- ◆ Although machine hours used to maximise profits for tunnel is very high, it is consequential as candidate has used the available hours left on the lowest priority item.
- ◆ Units to be produced is also consequential as candidate has divided the line above by the machine hours per unit.
- ◆ All formula marks awarded as cell references were used correctly.

Candidate 2

Overall – the candidate scored **29 out of 50 marks**.

Task 1

The candidate was awarded **9 out of 13 marks** for value view.

The candidate was awarded **1 out of 2 marks** for formula view.

- ◆ DNA label mark for factory machinery – it is the correct depreciation figure but DNA label award for wrong nomenclature. (The same would have applied to the PBD of £750 as candidate has wrongly labelled as trade receivables - but penalty has been maxed out).
- ◆ DNA mark for combined advertising and electricity as main electricity figure not shown.
- ◆ DNA 1 mark from the grouping of expenses as salaries missing.
- ◆ DNA 1 mark as trade payables is extraneous (ignore other extraneous as maxed out) Provision for depreciation of £27,600 would have been extraneous if not already maxed out.
- ◆ The electricity adjustment is awarded a mark, even though it is shown in wrong section. This is because there is no main electricity figure shown so there is nothing to attach it to (had the main figure been shown, then the adjustment is detached and would not gain a mark). By putting the adjustment into income, it is the correct effect and therefore awarded the mark.
- ◆ In formula view - DNA 1 mark for no linkage of cell D5.

Task 2

The candidate was awarded **9 out of 14 marks** for value view.
The candidate was awarded **4 out of 4 marks** for formula view.

- ◆ DNA 2 marks as credit purchases and credit sales missing.
- ◆ DNA 2 marks for current assets. Although candidate has referenced the 'trade receivables' figure from the income statement, this was wrongly labelled and candidate should have used the actual trade receivables from the data worksheet - so first mark not given. The second mark was not given as the candidate missed out electricity adjustment.
- ◆ DNA 1 mark for current liabilities as there is no advertising adjustment.
- ◆ All formula marks awarded as cell references were used correctly.

Task 3

The candidate was awarded **0 out of 6 marks** for value view.

- ◆ None of the responses were correct.

Task 4

The candidate was awarded **3 out of 8 marks** for value view.
The candidate was awarded **3 out of 3 marks** for formula view.

- ◆ DNA 5 marks as answers are incorrect and there is no evidence of any consequentiality from formula view.
- ◆ Even although candidate has made many mistakes, all have been done through the use of formula so full marks can be awarded for formula view.

Candidate 3

Overall – the candidate scored **32 out of 50 marks**.

Task 1

The candidate was awarded **9 out of 13 marks** for value view.
The candidate was awarded **1 out of 2 marks** for formula view.

- ◆ DNA 1 mark for closing inventory being the wrong effect (added instead of subtracted). Note – this does not affect the arithmetic award.
- ◆ DNA 1 mark for not including advertising payable.
- ◆ DNA 1 mark for PBD of £750 as although the correct figure it has the wrong nomenclature.
- ◆ DNA the arithmetic mark as expenses have been added.
- ◆ In formula view, DNA the linkage award as PBD/trade receivables has just been keyed-in.

Task 2

The candidate was awarded **10 out of 14 marks** for value view.

The candidate was awarded **2 out of 4 marks** for formula view.

- ◆ Gross profit ratio and rate of inventory turnover are awarded a mark each as they are consequential on the candidate's incorrect figures from task 1.
- ◆ DNA 1 mark in trade payables payment period as not multiplied by 80%.
- ◆ Trade receivables collection period is awarded both marks as per marking instruction. Even although it is an incorrect answer, the error is due to the candidate's inability to use brackets in the spreadsheet – not their accounting knowledge. Therefore, DNA 1 mark in formula view.
- ◆ DNA 2 marks for current assets as candidate has missed out a figure from each "pair".
- ◆ DNA 1 mark for current liabilities as candidate has omitted trade payables.
- ◆ Both the current ratio and acid-test are consequentially correct. Again, the acid-test ratio is incorrect due to the candidate's inability to use brackets in the spreadsheet – not their accounting knowledge. Therefore, DNA 1 mark in formula view.

Task 3

The candidate was awarded **2 out of 6 marks** for value view.

- ◆ Current ratio is awarded 1 mark as it is consequential.
- ◆ Acid-test ratio is correct as they have said current liabilities (ignore reference to loan). This is correct as if a firm had current assets of £2m and current liabilities of £1m (2:1 ratio), and then paid off £0.5m current liabilities using money from the bank, they would now have current assets of £1.5m and current liabilities of £0.5m (3:1 ratio).
- ◆ The rest of the answers were incorrect as per marking instruction.

Task 4

The candidate was awarded **5 out of 8 marks** for value view.

The candidate was awarded **3 out of 3 marks** for formula view.

- ◆ DNA 1 mark as contribution per machine hour has been multiplied by machine hours instead of being divided.
- ◆ DNA 1 mark as in units to be produced row as Hike's machine hours have been multiplied instead of divided.
- ◆ DNA 1 mark for fixed costs calculation as candidate has used the wrong original figure (can be seen in formula view).
- ◆ All formula marks awarded as cell references were used correctly.

Candidate 4

Overall – the candidate scored **37 out of 50 marks**.

Task 1

The candidate was awarded **10 out of 13 marks** for value view.

The candidate was awarded **2 out of 2 marks** for formula view.

- ◆ DNA 1 mark for closing inventory as it is wrong effect (note - wrong effects do not affect the arithmetic mark - the entry is just marked as wrong).
- ◆ DNA 1 mark for electricity adjustment in wrong place.
- ◆ DNA 1 mark for extraneous entry for trade payables. (Mortgage is also extraneous but allowance is maxed out).
- ◆ Both formula marks awarded as cell references were used correctly.

Task 2

The candidate was awarded **10 out of 14 marks** for value view.

The candidate was awarded **4 out of 4 marks** for formula view.

- ◆ DNA 4 marks for current assets/liabilities as candidate didn't have enough correct answers to meet the grouping awards.
- ◆ Current ratio - accept as marking instructions states in general marking principles note (e) that candidates can change decimal places.
- ◆ Formula view - award mark for average inventory even though candidate has just typed 10,000 as per marking instruction.

Task 3

The candidate was awarded **1 out of 6 marks** for value view.

- ◆ DNA 1 mark for current ratio as candidate not saying "current" assets.
- ◆ Rate of inventory turnover - ignore first part of answer as per general instruction.
- ◆ DNA 1 mark for acid test as no indication of "more money coming in" as per marking instructions.

Task 4

The candidate was awarded **7 out of 8 marks** for value view.

The candidate was awarded **3 out of 3 marks** for formula view.

- ◆ DNA 1 mark for contribution per machine hour being wrong (multiplied instead of divided).
- ◆ The rest of the marks are awarded as consequential.
- ◆ All formula marks awarded as cell references were used correctly.

Candidate 5

Overall – the candidate scored **13 out of 50 marks**.

Task 1

The candidate was awarded **5 out of 13 marks** for value view.

The candidate was awarded **1 out of 2 marks** for formula view.

- ◆ DNA 1 mark for closing inventory as it is wrong effect (Note - wrong effects do not come off the arithmetic mark - the entry is just marked as wrong).
- ◆ DNA 1 mark for purchases as carriage in is in wrong place (combined mark).
- ◆ DNA 1 mark for electricity adjustment (added instead of subtracted).
- ◆ DNA 1 mark for combined expenses as finance costs are in wrong place.
- ◆ DNA 1 mark for omitting depreciation.
- ◆ DNA 1 mark for omitting PBD.
- ◆ DNA 1 mark for including extraneous items.
- ◆ DNA 1 mark for layout (gross profit in wrong place).
- ◆ DNA 1 mark in Formula View as there is formula truncated in the 2nd formula award (note – even though formula is truncated more than once, this is all in the same formula “group”. There is no truncation in the first “group” of formulas which are awarded for linkage).

Task 2

The candidate was awarded **4 out of 14 marks** for value view.

The candidate was awarded **0 out of 4 marks** for formula view.

- ◆ Gross Profit ratio and Rate of Inventory Turnover are both consequentially correct. Even though the formula is truncated, by working through the candidate figures, it can be seen that they are consequentially correct. (Note – the e-resolution spreadsheet file would indicate these are consequentially correct once the candidate’s incorrect figures for Task 1 have been inserted).
- ◆ DNA 2 marks for trade payables payment period. Cannot give any award in value view as formula is truncated and so marker cannot ascertain what figures were used.
- ◆ DNA 1 mark for trade receivables collection period. Although candidate referenced the ‘trade receivables’ figure from the income statement, this was wrongly labelled and candidate should have used the actual trade receivables from the data worksheet - so first mark not given. When 750 is typed into the e-resolution, the resultant answer is 1, therefore 2nd mark is awarded.
- ◆ DNA 4 marks for current assets/liabilities as candidate didn't have enough correct answers to meet the grouping awards.
- ◆ DNA 1 mark for current ratio. Consequential mark is not awarded as it is calculated the wrong way round.
- ◆ DNA 2 marks for acid-test ratio as it is incorrect and the formula view shows no working.
- ◆ DNA 4 marks in formula view. First 3 grouped marks not awarded due to truncation, 4th mark not awarded as acid-test figure just keyed-in.

Task 3

The candidate was awarded **0/6 marks** for value view.

- ◆ None of the responses were correct.

Task 4

The candidate was awarded **1 out of 8 marks** for value view.

The candidate was awarded **2 out of 3 marks** for formula view.

- ◆ DNA 7 marks in value view. Contribution per unit was correct (ignore the total column). Everything else was either incorrect, consequentially incorrect or missed out.
- ◆ In formula view, the F1 grouping of formulas has been awarded a mark. The candidate has made no attempt at any of the F2 grouping of formulas so cannot be awarded a mark. Although the candidate has not attempted all of the question, those formula that have been attempted in group F3 are awarded a mark (despite the missing formulae for this group).

Candidate 6

Overall – the candidate scored **25 out of 50 marks**.

Task 1

The candidate was awarded **5 out of 13 marks** for Value View.

The candidate was awarded **1 out of 2 marks** for Formula View.

- ◆ DNA 1 mark for carriage in being entered in wrong place (combined mark not awarded).
- ◆ DNA 1 mark for the combined basic electricity/advertising amounts as electricity is missing.
- ◆ DNA 1 mark for electricity adjustment as it is missing.
- ◆ DNA 1 mark for the combined expenses award as insurance is missing.
- ◆ DNA 1 mark for incorrect depreciation figure.
- ◆ DNA 1 mark for incorrect PBD figure.
- ◆ DNA 1 mark for layout as no gross profit label.
- ◆ DNA 1 mark for extraneous as cash and cash equivalents included.
- ◆ DNA 1 mark in formula view as subtotal in row 9 has just been keyed-in.

Task 2

The candidate was awarded **7 out of 14 marks** for value view.

The candidate was awarded **2 out of 4 marks** for formula view.

- ◆ Gross Profit ratio is consequentially correct based on candidate's Task 1 figures.
- ◆ Average Inventory is consequentially correct as candidate has gone wrong, not through accounting knowledge, but their inability to construct a formula with brackets - therefore DNA 1 mark in formula view.
- ◆ DNA 1 mark for Rate of Inventory Turnover as candidate has used Gross Profit figure instead of cost of sales.
- ◆ DNA 2 marks for payables/receivables periods as candidate has used 80% and 40% the wrong way round.
- ◆ DNA 1 mark for current assets as candidate doesn't have second part of grouping correct.
- ◆ DNA 2 marks for current liabilities as candidate doesn't any part of groupings correct.
- ◆ DNA 1 mark acid test ratio as candidate has deducted average inventory instead of closing inventory (this can be ascertained by looking at the formula view).
- ◆ DNA 1 mark in formula view as current assets/liabilities truncated.

Task 3

The candidate was awarded **3 out of 6 marks** for value view.

- ◆ Award 3 out of 3 for part A as candidate has just flipped the perspective and looked at what might have happened in year 2 rather than year 3.
- ◆ Acid Test is incorrect for part B as candidate has not specified which type of asset, nor have they said "unnecessary" as per the marking instructions.

Task 4

The candidate was awarded **4 out of 8 marks** for value view.

The candidate was awarded **3 out of 3 marks** for formula View.

- ◆ DNA 1 mark as contribution per unit incorrect.
- ◆ DNA 1 mark as machine hours to maximise profit incorrect.
- ◆ Units to be produced is consequentially correct as candidate has divided the line above by the machine hours per Unit.
- ◆ DNA 1 mark for total contribution as candidate has multiplied by contribution per machine hour instead of contribution per unit.
- ◆ DNA 1 mark for maximum profit as candidate has added fixed costs.
- ◆ All formula marks awarded as cell references were used correctly.