2022 Accounting Subject Assessment Advice

Overview

Subject assessment advice, based on the 2022 assessment cycle, gives an overview of how students performed in their school and external assessments in relation to the learning requirements, assessment design criteria, and performance standards set out in the relevant subject outline. They provide information and advice regarding the assessment types, the application of the performance standards in school and external assessments, and the quality of student performance.

Teachers should refer to the subject outline for specifications on content and learning requirements, and to the subject operational information for operational matters and key dates.

Across the Assessment Types for this subject, students can present their responses in oral or multimodal form, where 6 minutes is the equivalent of 1000 words. Students should not speed-up the recording of their videos excessively in an attempt to condense more content into the maximum time limit.

From 2023, if a video is flagged by markers/moderators as impacted by speed, schools will be requested to provide a transcript and markers/moderators will be advised to mark/moderate based on the evidence in the transcript, only considering evidence up to the maximum word limit (e.g. up to 2000 words for AT3).

If the speed of the recording makes the speech incomprehensible, it affects the accuracy of transcriptions and it also impacts the ability of markers/moderators to find evidence of student achievement against the performance standards.

School Assessment

Teachers can improve the moderation process and the online process by:

* ensuring that LAPs and tasks are provided with moderation samples
* including teacher comments and marks on all work submitted to enable moderators to confirm teacher’s results more easily.

Assessment Type 1: Accounting Concepts and Solutions (40%)

Now in the third year of the updated subject outline, teachers continue to develop and design assessment tasks that are engaging and provide students the opportunity to apply the skills and knowledge they were developing to more realistic scenarios and contexts. Teachers continued to find a good balance of “traditional” stand alone test style assessments focussed on the technical aspects of the subject, mixed with innovative approaches that allowed students to apply understanding and knowledge to develop accounting solutions to authentic business problems and provide evidence of achievement at the higher levels of the performance standards.

Teachers can elicit more successful responses by:

* including tasks with a supervised component that are then supplemented opportunities to provide in depth theory responses to accurate financial information
* providing a range of assessment types over the 3-4 tasks required allowing the opportunity to demonstrate innovative solutions
* allowing students multiple opportunities to address assessment criteria, particularly in relation to analysis and evaluation.

The more successful responses commonly:

* included a good mix of practical application with an opportunity to discuss theory in the context of the practical responses
* used appropriate accounting terminology in responses
* included accurately completed and well organised financial statements, journal entries, debtors and inventory
* included clearly articulated written responses that link clearly to the question/scenario presented
* provided in-depth answers that related to specific examples from the financial information provided showing a clear understanding of the relationship between theory and practical
* showed a high level of accuracy in producing accounting information
* were able to explain why different accounting methods are used in reference to the Accounting Concepts, using appropriate accounting terminology
* were in response to tasks that allowed students to show creativity and innovation in developing solutions while still being able to apply accounting concepts and conventions.

The less successful responses commonly:

* included avoidable errors in financial statements or ratio calculations
* responded to financial information in a generic way, rather in the context of the problem presented
* focussed too much on the practical aspects of a task, with excessive ratio calculations or data entry required
* showed a basic understanding of some Accounting Concepts, but with limited understanding of how they related to the production of accounting information
* describe accounting ratios and how they changed but did not display an understanding of how ratios related to other features within financial statements
* were in response to multiple choice questions or responses only required a one word answer.

Assessment Type 2: Accounting Advice (30%)

Assessment type 2 highlights the fact that a primary aim of accounting is to provide information for decision making and a key role for accountants is to provide advice based on the information generated. Teachers continued to explore ways to present information to students and some challenged students to communicate their findings in different ways, while other submission continued to adhere to a ‘traditional’ report style format.

Teachers can elicit more successful responses by:

* providing opportunities for students to find innovative ways to communicate their advice to the target audience
* ensuring students can clearly see how the practical aspects of the subject provide the foundation for accounting advice
* giving students multiple opportunities from early in the subject to produce small pieces of accounting advice that can provide development in skills for Assessment Type 2.

The more successful responses commonly:

* were set out in a professional formatted report that incorporated calculations along with broad business research appropriate to the business/industry
* used a wide range of external resources to support their discussion
* completed an in-depth analysis of ratio calculations, utilising both financial statement information and other qualitative information
* considered the audience that they were providing accounting advice to and tailored their communication appropriately
* provided detailed accounting advice, exploring the advantages and disadvantages of strategies recommended
* incorporated a high level of analysis, going beyond mere ratio analysis, exploring items within the financial statements, making judgments about causes of trends, and making reference to the contextual/ external business environment
* were in response to a stimulus that had multiple opportunities and directions for students to develop their advice
* were in responses to tasks that actively encouraged students to undertake independent research to develop their advice
* presented advice in authentic modes of communication.

The less successful responses commonly:

* focussed on too any ratios and provided a discussion of changes in ratios numbers and generic comments on areas of improvement without referring to the context of the problem explored
* were in response to tasks that did not provide opportunities for students to make in depth analysis or recommendations
* used very few external sources of information to support their discussion
* did not appropriately link the financial information to the scenario or did not provide advice supported by the financial information
* were highly scaffolded in a report style that did not consider the scenario provided
* were completed under timed/supervised conditions with no scope for students to be able to undertake their own research and exploration
* were in responses to tasks that treated this assessment as preparation for the exam's extended response, rather than viewing this task as a discrete opportunity for students to provide accounting advice
* did not encourage students to link information to the real world, which would allow students to propose authentic accounting advice and therefore allow analysis and evaluation of accounting information.

External Assessment

Assessment Type 3: Examination (30%)

The 2022 exam followed a similar format to preceding years with a total of 5 questions and the total number of marks available to be awarded set at 120. The exam was formatted with three questions focussed on the more practical aspects of the course with appropriate theory included. A fourth question was designed to provide some scaffolding to enhance students efforts at providing accounting advice and the fifth and final question of the exam. The exam was presented with an information booklet and two question booklet (for answers to question 1-3 and 4-5) this presentation carried over from the previous year appeared to work successfully and was accessible to students.

Question 1

This question focussed on Cash Budgeting.

The more successful responses commonly:

* correctly identified the type of user and provided an explanation as to why this was the case
* allocated the costs to the appropriate months
* included the cash at bank figure from (a) as the opening balance for (e)
* stated an appropriate source of finance
* discussed both the role and importance of the cash budget stage selected.

The less successful responses commonly:

* did clearly indicate Dr and Cr balances in the bank reconciliation
* included non-cash items in the cash budget

Question 2

This question focussed on Cash Flow Statements.

The more successful responses commonly:

* accurately calculated the relevant cash flows in (a)
* clearly identified the relevant cash movements in the various sections of the cash flow statement
* correctly identified the net increase in cash
* clearly explained the difference between cash flows and accrual profit.

The less successful responses commonly:

* were poorly laid out in (b) and included non-cash items
* did not cross check the cash flow totals with the net increase in cash from the balance sheet
* did not consider the future impact of the cash flows recorded in (c).

Question 3

This question focussed on Balance Day Adjustments.

The more successful responses commonly:

* used specific example for the information to explain the concept in question
* correctly applied the depreciation method
* formatted the Income statement clearly and allocated items correctly
* identified the link between statements as listed in the Subject Outline
* included all relevant items in updating equity
* provided clear advice supported but evidence from the question.

The less successful responses commonly:

* gave generic examples or no example and a definition of the concept
* combined elements of different depreciation methods in one calculation
* misallocated certain items in the Income Statement and/or included assets or liabilities
* did not calculate the average equity figure in (g)(i)
* were missing a percentage notation from calculation answers.

Question 4

This question focussed on Inventory and Break-even Analysis and was designed to provide scaffolding for question 5 where more specific Accounting Advice was required.

The more successful responses commonly:

* correctly identified the stock loss by using the balances provided
* included all relevant items, including the stock loss in determining the COGS
* provided two distinct factors in (a)(iv)
* stated the breakeven point as a whole number and labelled the answer correctly.

The less successful responses commonly:

* did not formally balance the ledger as required
* did not calculate the average inventory figure
* were unable to provide a clear reason for the inventory item selected
* confused breakeven and profit margin calculations
* gave generic answers for (c)(ii) not clearly linked to the information given.

Question 5

This question focussed on the provision of Accounting Advice in response to specific enquiries from a stakeholder.

The more successful responses commonly:

* clearly selected a specific format and adhered to that throughout the advice
* communicated clearly and directed their advice to the owner (as required) rather than as generic commentary for any potential user
* included specific suggestions and practical improvements that could be undertaken with some creative solutions
* approached the advice as a whole and linked various elements rather than focussing on each dot point as a wholly separate question
* made good use of dot points where appropriate to make concise points easily understood by the owner
* used relevant ratios and figures from the information booklet to support statements when providing advice but did not waste time defining or discussing how ratios were calculated
* identified liquidity as being of key importance to owner (based on mark guide) and provided sufficient depth of discussion on this topic
* were able to bring in real world factors when discussing the external environment.

The less successful responses commonly:

* had no specific format, instead answering each dot point as a separate question
* did not consider the marks guide provided, focussing too much attention on the questions with lower marks
* ignored the competitor when discussing external factors
* did not use information from the question to support advice given
* did not provide any clear advice for the owner to consider.