



ASSESSMENT & EXAMINATIONS

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NSC 2011 CHIEF MARKER'S REPORT

SUBJECT	ACCOUNTING
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PAPER	1
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SECTION 1:

(General overview of Learner Performance in the question paper as a whole)

Generally, a well balanced paper with an appropriate coverage of LOs and ASs, spread across the paper. It was felt that the paper was relatively “easier” than the previous years' final papers. It offered a good range of questions to cater for the different cognitive levels. This can be attributed to the fact that educators are making good use of past year papers and the exemplars provided by the department, from 2006 onwards.

Although there are attempts to be creative, the style of questioning has not changed much; as a result the paper has become somewhat predictable. Some of the new innovations implemented (such as True/False and Matching) were intended to assist candidates score marks (lower order). There were also opportunities for personal opinions and problem solving. It was pleasing to observe how candidates integrated their knowledge of the related subjects (economics and business studies) to answer the interpretive and commenting type questions. *(These will be noted in the relevant sections below)*

Ultimately, the paper was a good balance between the Grade 11 and 12 syllabi. It was learner friendly and welcomed by the average and above-average learners. Those who prepared well definitely reaped the benefits. It was disappointing to note the poor marks scored, as well as the poor performance of a large percentage of learners, especially in the elementary and basic elements of accountings; things that should have been done from Grade 9 onwards.

SECTION 2:

Comment on candidates' performance in individual questions

(It is expected that a comment will be provided for each question on a separate sheet).

QUESTION 1
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
Question 1.1 and 1.2 was generally well answered. This is so because the Production Cost Statement (in various forms) is a popular examination question. 60% of this question was considered to be easy, and this encouraged learners. Good marks were scored in this section.
(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
A common error on the Production Cost Statement was the foreign items entered. Learners were penalized for entering administration costs as well as selling and distribution costs. The break-even calculation and interpretation still poses problems. This aspect of manufacturing is examined every year and is normally predicted by the above average learner. It is also a concept that is covered in the grade 11 syllabus. Learners also did not see the production plan to cut ingredients as being unethical.
(a) Provide suggestions for improvement in relation to Teaching and Learning
This section is considered to be an easy section to teach. Educators must expose learners to the different ways in which this section can be tested. In class discussions, educators must encourage learners to discuss and debate ethical issues. Use must be made of a variety of resources such as study guides, past exam papers and more than one textbook. Practical examples and simulation exercises can be effectively used to create an clear understanding of the various departments and cost centres within the business.
(d) Describe any other specific observations relating to responses of learners
Difficulty in noting the relevance of the break-even analysis. Many calculate the answer but fail to respond on their findings. Many have an idea, but cannot explain clearly.
e) Any other comments useful to teachers, subject advisors, teacher development etc.
Expose learners to a practical manufacturing environment to see production in action. This will make the theory they learn come alive. Teachers must engage in subject meetings with neighbouring schools and share common tasks. This can also be a project activity. But matric teachers always complain that they do not have sufficient time. Start in Grade 10 and build in their knowledge.
QUESTION 2
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
Bank reconciliation is introduced in Grade 11 and interpretation of this internal control mechanism is emphasised in Grade 12. It was therefore expected that learners would be well in this question. The well prepared learners scored good marks here, whilst many found the question to be confusing.

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Teachers tend to teach this section in a standard way or using a standard format. When alternative ways of questioning are presented, learners do not know what to do. The answer book provided a template for the calculation of the Bank Account balance, and this confused many learners. If simply asked to calculate this amount, they would have scored more marks.

The creditors reconciliation was also poorly attempted, again because of the table provided in the answer book. Being prescriptive with the answer book, limits the different ways in which the learners can perform the same calculations.

This question also had a number of marks being deducted for foreign entries. Two each on the bank reconciliation, and up to five marks in the creditors reconciliation.

(c) Provide suggestions for improvement in relation to Teaching and Learning

Revision of the Grade 11 syllabus is important. Some educators do this section in Grade 11 and do not cover this in grade 12. Constant reinforcement is essential. One can only improve if many exercises and activities are done. Just having an understanding is not sufficient. Various resources must be used. Use practical bank documents and highlight the different ways in which information can be presented. Do not take Grade 10 and 11 for granted.

(d) Describe any other specific observations relating to responses of learners

Learners lose marks for not knowing where to place certain items (foreign entries). This is clearly a lack of understanding of the banking process and the control of cash.

They need to see the bank and the business as being separate entities, keeping the same set of records.

e) Any other comments useful to teachers, subject advisors, teacher development etc.

Set common tasks from different sources. Teachers must also be creative and set questions to exam specific aspects they want to emphasise. Do not rely on the questions set in previous years only. Recognise that examiners will attempt to be creative and change questions around, but eventually testing the same principles.

QUESTION 3

(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

The complete Income Statement was a pleasant surprise to learners. Many of the Grade 11 adjustments were tested.

The independent auditor was confused with the internal auditor. Nearly all the learners attempted this question. It was however, not so easy to obtain full marks here. *(explained below)*

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Basic answering skills and exam techniques to score marks are not enforced in many schools. This includes showing all workings, bringing down totals, how to score marks for operations and method marks. Learners lose marks for foreign entries (Balance sheet accounts), and misplaced entries. Once again, it must be noted that the Income Statement and Balance Sheet are introduced in Grade 10, and one wonders what went wrong when a grade 12 learner does not know the basic structure and format of these financial statements.

The theory on auditing was poorly answered. It was evident that learners are left to their own devices here. Teachers dismiss this section as being purely theory and expect learners to do this on their own. Many learners have neither the capacity nor the resources to tackle this on their own. Many do not read these sections – complete lack of knowledge is noted when they try to answer these questions.

(c) Provide suggestions for improvement in relation to Teaching and Learning
This section starts in Grade 10 and is extended in Grade 11 and 12. There is no easy way or quick fixes to approach this section. Learners who are serious about their studies must plan their routine to do a little every day. There are plenty of resources and activities in this section. Good discipline and motivation is required. Teachers must supervise class work and homework and follow up constantly. Work through a lot of activities. Learners must understand that dedication and hard work is the only way to approach this section.
(d) Describe any other specific observations relating to responses of learners
Asset disposal and the calculation of depreciation require a good understanding of asset management. Once again, this must be taken seriously from Grade 10. A solid foundation would generally make it easier in grade 11 and 12. This was poorly attempted and shows a lack of understanding of the posting (double entry) principle. The auditing concepts of a qualified and an unqualified report were clearly never mentioned in some classrooms.
e) Any other comments useful to teachers, subject advisors, teacher development etc.
Do not neglect to follow a structured plan for this section. Do constant follow up of learners work. Instil good discipline and be strict. Motivate learner and get them to enjoy the subject. Emphasise the importance of being serious about this subject.
QUESTION 4
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
A fairly predictable question. 4.3 and 4.4. has been in many past papers. The ratios and the interpretation of the cash flow statement also appeared in many previous papers. Despite this, the question was still poorly answered by the majority of the candidates.
(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
The marks obtained for question 4.1. were researched because of the concern for the poor performance in a lower order question. Educators are still not confident in addressing this section. Learners still do not show workings to obtain part marks. The formulas for ratios are still not mastered. In calculating the change in trade and other payables, learners do not take into account the accrued expenses.
(c) Provide suggestions for improvement in relation to Teaching and Learning
Firstly, a positive attitude. Educators must instill confidence in learners and not start by telling them that this is a difficult section. Structure a programme and work from the easy to the complex. Integrate the general ledger and analysis of transactions (grade 10 and 11) to facilitate the understanding of increases and decreases for tax, dividends and assets. Get examples of published financial statements and work through the ratios. Have class discussions on company policy and ethics. Teachers need to take ownership of the syllabus and empower themselves by gathering vital information from colleagues, the internet and various other resources such as finance magazines, study material etc.
(d) Describe any other specific observations relating to responses of learners
Question 4.1. had 4 options and many learners assumed that all 4 had to be used in answering this question. Some altered their correct responses. Learners do not understand the relevance of some ratios, and their responses are totally off the topic. They attempt the questions (guesswork) hoping that the markers will try to make sense of their work and award some marks. Teachers tell learners to use past papers in preparation of these types of questions, but fail to provide memorandums or explanations, because they also lack the knowledge and the skills to impart that information.

e) Any other comments useful to teachers, subject advisors, teacher development etc.

Many of the older teachers tend to focus on the accounting aspect of the syllabus. They teach accounting the old fashion way, doing many activities and examples and class tests. They do not enjoy teaching theory, and expect learners to do this on their own. They dismiss this as easy reading and understanding – learners are not disciplined enough to do this on their own.

Teachers must not take things for granted. Some spend too much time ensuring that the syllabus is covered, irrespective whether learning has taken place or not. Educators need to accept the fact that the normal school hours are not sufficient to do justice to the accounting syllabus. They have to go the extra mile, preparing activities and opportunities for learners.

QUESTION 5

(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

The section was on cash budgets and it incorporated analysis of debtors. The cash budget portion was manageable for most – this has also appeared in all the previous exam papers. The analysis of debtors control information posed some problems. The two sets of information (collection pattern) and the age analysis did confuse many learners.

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

The misconceptions were associated with the debtors terms and the credit limit. Many were able to answer 5.4 regarding the defaulting debtors. The collection trend however, indicated that the business was expecting debtors to pay within 60 days. The markers also experienced some difficulty in accepting the explanations provided.

Learners could not perform the basic calculation of the percentage increase in wages. They also misinterpreted that the question wanted a response from the management of the business and not from Mona Lott's point of view. Vague questioning like "what would you say to...." is very open ended, yet we expect learners to respond in a certain way.

Calculating the missing amounts on the cash budget required a good understanding of the structure of a budget (format). This is done in detail in Grade 11, and not revised in Grade 12. Many of the learners got 5.2 (D- R27 000) right by subtracting the total payments listed – although amount/s under payments were omitted. Clearly an oversight of the examiner. They were still awarded the full 3 marks.

Learners still cannot grasp the comparison between actual and budgeted amounts.

(c) Provide suggestions for improvement in relation to Teaching and Learning

There is no substitute for practice. It is not sufficient to only explain concepts. Constant follow-up of homework and class work is essential. Teachers must be encouraged to use practical, real life examples. The third term presentation (SBA) is an ideal opportunity to be creative. The provincial SBA exercise must also be something that is well thought out and not simply extracted from a textbook.

Educators must also look for opportunities to integrate sections and not teach each topic in isolation. Here, the examiners decided to bring in a debtors analysis segment, and this led to some confusion.

(d) Describe any other specific observations relating to responses of learners.

When comparing actual amounts to budgeted amounts, learners show a lack of understanding that the budgeted amount is what we expect to receive/pay. They simply state that it was “good” or “bad”. Educators must explain the concepts over budgeted, under spent etc. by using the practical examples mentioned above.

e) Any other comments useful to teachers, subject advisors, teacher development etc.

This section lends itself to a lot of practical application and creativity. Teachers must not rely solely on the textbook or the past year exam papers. This topic is also good for problem solving exercises. Educators are encouraged to plan lessons to accommodate these problem solving situations.

QUESTION 6

(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Generally well answered. This was an opportunity for learners to score marks. Unfortunately, those who did not manage their time effectively did not get to this question. The problem solving question segment (6.2), although intended for the high flyers, was well received by many learners. Analysing the data presented appeared to be comfortable for many learners. It also provided some opportunity to be creative.

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Learners had difficulty in calculating the cost of sales. They have difficulty explaining the relevance of the different stock systems and the type of goods they apply to. Many do not see the ethical issue of trying to manipulating the gross profit to evade taxes.

With the problem solving question, figures were required. This was omitted by many learners. Learners also just commented stating that a branch was doing well or the manager was good, rather than focusing on a problem or shortcoming, which was requested by the question.

(c) Provide suggestions for improvement in relation to Teaching and Learning

Stock valuation is an extension to the topic of periodic and perpetual inventory systems introduced in Grade 11. Here is an opportunity to move from the known to the unknown, discussing purchases of stock at various intervals. Provide examples using simple examples, illustrate the different methods associated with the value of the goods purchased, and relate this to the profit. Use different resources and work through all the questions from the past year examination papers. This question is common in most papers and it provides very little scope for creativity in setting questions.

Problem solving scenarios cannot be predicted. Educators must create opportunities for open discussions and debates. This can only develop the skills which learners can hopefully use in different situations.

(d) Describe any other specific observations relating to responses of learners

Lack of understanding the need to employ as specific stock system for a specific type of good. Again, learners were asked “ what would you say to....” giving them no direction as to what the examiner wants them to say. Yet we mark their responses wrong.

e) Any other comments useful to teachers, subject advisors, teacher development etc.

Use the trading stock account and the periodic inventory system as an introduction to this section. Bring in the concept of internal control of stock and the need for different valuation systems. Work through many examples. Expose learners to the different types of stock (high value and low value goods)
Reflex back to the Grade 9 section on entrepreneurship with the view of explaining stock control.

SIGNATURE OF CHIEF MARKER: _____



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