

# Assessment Report

## Level 2 Accounting 2016

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

### Part A: Commentary

At this level, candidates are required to go beyond the definition. Application of a concept or analysis measure in context is needed. Candidates that read the question carefully and follow the bullet points provided will often write organised logical answers.

Achievement with Excellence is attainable with attention to detail in written answers and in the preparation of financial statements and the general journals and general ledgers. Candidates that understood in-depth the reasons behind a wide range of concepts and analysis measures and the purpose of the financial statements they were preparing were able to provide this detail.

### Part B: Report on Standards

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

Candidates who were awarded **Achievement** commonly:

- defined most of the accounting elements and concepts in context and read the background information required
- accurately recalled element definitions and were able to relate these to the context of the question
- understood the background information provided and the purpose of financial statement (extracts) and understood the elements that each financial statement contained
- attempted the majority of the paper.

Candidates who were assessed as **Not Achieved** commonly:

- gave rote-learned definitions of the accounting elements and concepts not using the context given in the question (paper).

- wrote answers that did not demonstrate understanding of the questions asked, or did not read/understand the background information or extracts
- did not understand what an extract was
- did not write in a logical or succinct manner
- did not attempt large portions of the paper.

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

- had accurately learnt accounting concepts and elements and were able to relate these to the context of the question
- wrote clearly, coherently and succinctly
- understood how to use the extracts given in answering questions
- used the background information and financial statement extracts in their answers
- answered the question, rather than including everything they had learnt on the page
- used appropriate accounting terminology in context.

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

- provided comprehensive answers that showed an understanding of accounting concepts in the context of Beachsplash – paddle board hire/kayak hire. Students who used the prompts in the pictures were able to show advanced understanding of the context.
- provided answers that went beyond accounting theory demonstrating higher level thinking about Beachsplash as an entity that hires out beach equipment
- wrote clearly, coherently and succinctly
- effectively used the background information and financial statement extracts in their answers.

### Standard-specific comments

It is very important to a successful outcome that candidates read all information provided as it provides context for answers.

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

Candidates who were awarded **Achievement** commonly:

- could complete correctly some of the general journal and general ledger entries
- could complete a financial statement using some of the additional information
- attempted all three questions
- correctly classified financial statements
- were able to recognise and report cash payments.

Candidates who were assessed as **Not Achieved** commonly:

- were unable to consistently report balance day adjustments when either processing or reporting
- produced financial statements with too many foreign items
- demonstrated limited understanding of how to classify.

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

- correctly completed balance day adjustments that required an adjustment
- understood the connection between journals and ledgers and statements
- understood the preparation of the PPE note.

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

- understood how to close accounts using journal entries and ledger accounts
- understood how to use net assets to determine a profit for year figure in a Statement of Financial Position
- understood how to correctly calculate gross profit in an Income Statement
- could produce financial statements without foreign items
- correctly completed a range of adjustments requiring a two-step calculation.

### Standard-specific comments

It is important that candidates can process and be able to make adjustments. When processing they need to understand the relationship between the general journal and general ledger. Candidates need to be able to produce complete fully classified financial statements.

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

Candidates who were awarded **Achievement** commonly:

- calculated the analysis measures correctly
- could describe/ define the ratios in context, using appropriate terminology
- could describe trends and reasons for changes of analysis measures at a basic level, usually without reference to context/ figures.

Candidates who were assessed as **Not Achieved** commonly:

- miscalculated analysis measures or only calculated the ratios and did not answer the other questions
- did not know the meaning of the ratios and/or attempted to describe/ define in context, but used incorrect/ inappropriate terminology/ common language.

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

- completed calculations accurately
- were able to explain the changes in analysis measures using relevant information and accurate reasons
- were able to explain management effectiveness
- were able to make links between analysis measures.

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

- gave fully justified explanations using the supporting figures/information in the resource beyond the ratios as well as their own understanding for at least one part of each question
- gave answers which demonstrated a comprehensive understanding of trends, making valid linkages between the analysis measures using specific data from the resources provided.

### **Standard-specific comments**

Candidates need to be consistent with the correct use of terminology throughout a question e.g. not using money when discussing income, profit. In addition, candidates need to avoid interchanging concepts (confusing concepts/terms) when answering a question e.g. liquid v current.

It is crucial that candidates need to steer away from rote learned responses to answers and look at how to apply to the context/entity given

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

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