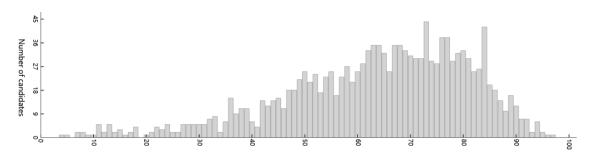




# Summary report of the 2018 ATAR course examination: Accounting and Finance

Year	Number who sat	Number of absentees
2018	1418	19
2017	1531	13
2016	1486	20

## Examination score distribution-Written



## Summary

The examination consisted of three sections: Section One Multiple-choice; Section Two Short answer; and Section Three Extended answer. Candidates were required to attempt all questions in Sections One and Two and to choose one of the two questions provided in Section Three. The syllabus content for Accounting and Finance Units 3 and 4 were examined equally, with the required balance between theory and practical/application questions being achieved. The examination was well received, being viewed as a sound and fair test of the breadth and depth of the Accounting and Finance syllabus.

Attempted by 1418 candidates	Mean 63.66%	Max 96.68%	Min 4.00%
Section means were:			
Section One: Multiple-choice	Mean 62.83%		
Attempted by 1418 candidates	Mean 9.42(/15)	Max 15.00	Min 0.00
Section Two: Short answer	Mean 67.95%		
Attempted by 1417 candidates	Mean 47.55(/70)	Max 68.14	Min 0.00
Section Three: Extended answer	Mean 46.58%		
Attempted by 1360 candidates	Mean 6.99(/15)	Max 15.00	Min 0.00

## General comments

The paper was well attempted, with all candidates responding to questions in Section One, all but one candidate responding to questions in Section Two and most candidates responding to questions in Section Three. Candidates performed better generally in the practical/application questions than the theory questions.

An alternative format was presented in the extended answer section. One set of data was provided from which two sets of questions were presented. All candidates were required to use the same data and had the option to choose from one of the two sets of questions. Candidates found this section the most difficult to answer and many did not provide sufficiently detailed responses.

#### Advice for candidates

- You must be able to complete balance day adjustments, prepare general journal entries and reconstruct general ledger accounts.
- Be familiar with and understand the formulas and tables in the Specifications booklet.
- Show all your workings and ensure that they are labelled clearly.
- Use accounting and finance terminology in your answers.
- Provide only the required information in your responses. Irrelevant information consumes valuable time, does not earn you any marks and you will be penalised for the inclusion of incorrect items.
- Learn the correct use of brackets and apply these when required.
- Ensure that you give your answers in the form required by the question, such as a dollar amount, a ratio or percentage, a number of times or a number to two decimal places if stipulated.
- Be aware that 30% of the Accounting and Finance course is theory, and that for each
  area within the syllabus you need to understand the theoretical underpinnings as well as
  the practical applications. You should not treat theory as a minor component. You should
  treat it as a significant component of the course because it forms the fundamental
  understanding of all areas within the Accounting and Finance syllabus.

### Advice for teachers

- Ensure that students' preparation of general purpose financial reports are guided by and compliant with current accounting standards.
- Although formats are not prescribed, when teaching students multiple formats for the
  presentation of financial information, it is recommended that you advise them of the most
  effective and efficient way to present this information in an examination.
- Refrain from telling students to put everything into the general purpose financial reports if
  they are unsure of what should be included. This consumes valuable time and
  candidates in an examination will be penalised for the inclusion of incorrect items. The
  examination requires candidates to know the purpose of each general purpose financial
  report and what it contains.
- Ensure that students understand the correct use of brackets in accounting and finance and that they are using them correctly.
- Encourage students to read question requirements carefully. Provide opportunities for them to identify the critical requirements to be addressed in a question and give them feedback if their answers are misdirected.
- Encourage students to refer to the Specifications booklet when they perform calculations.
- Provide students with many opportunities to demonstrate their depth of understanding the syllabus content in answering theory questions, both short answer and extended answer.
- Provide students with many opportunities to practice multiple-choice questions from all areas within the syllabus.

# Comments on specific sections and questions Section One: Multiple-choice (15 Marks)

Overall, candidates performed well in this section of the paper. They were most challenged by Question 2, followed by Questions 5 and 14. They found Questions 8 and 15 to be very easy.

## Section Two: Short answer (169 Marks)

Candidates were required to complete five questions, with each having scaffolded requirements that were predominantly practical in nature. Candidates found Question 17 to be the easiest and Questions 18 and 20 to be the most challenging. Although this section was completed well overall by candidates, the theoretical questions were completed poorly. Candidates needed to understand why the calculations were completed and the theoretical underpinnings behind the practical applications of accounting and finance.

## Section Three: Extended answer (30 Marks)

Candidates found Section Three: Extended answer the most challenging section of the examination paper. This year there was a change in format of this section of the examination, which provided one set of data from which two sets of questions were developed. More candidates chose to answer Question 21 than Question 22; however, answers to Question 22 were of a higher standard than those to Question 21. Both questions had a mean below 15, highlighting that candidates need more exposure to theory questions, especially when it comprises 30% of the Accounting and Finance course and can be sourced from all areas within the syllabus. Most candidates did not provide the required detail in their answers and many did not use relevant accounting and finance terminology.