



Unit:

Introduction to Accounting and Economics

Autumn 2021 - Autumn 2024

Marking Scheme

Markers are advised that, unless a task specifies that an answer be provided in a particular form, then an answer that is correct (factually or in practical terms) **must** be given the available marks. If there is doubt as to the correctness of an answer, the relevant NCC Education materials should be the first authority.

This marking scheme has been prepared as a **guide only** to markers and there will frequently be many alternative responses which will provide a valid answer.

Each candidate's script must be fully annotated with the marker's comments (where applicable) and the marks allocated for each part of the tasks.

Throughout the marking, please credit any valid alternative point.

Where markers award half marks in any part of a task, they should ensure that the total mark recorded for the task is rounded up to a whole mark.

Marker's comments:

Moderator's comments:

Mark:

Moderated mark:

Final mark:

Penalties applied for academic malpractice:

General

Please check that the student has included a table of calculated ratios in the appendix. Students are expected to refer to this analysis as they answer the tasks and to be appropriately rewarded.

Task 1 200 words

10 marks

Name and describe your chosen company including the industry within which it operates, whether it is a national or multinational organisation and where it has a base or bases, its main aims and objectives, products and services.

0-2 marks	3 marks	4-5 marks	6 marks	7-10 marks
Demonstrates a basic understanding of the chosen company, its aims and/or objectives, products, and services	Demonstrates a limited understanding of the chosen company, its type, base(s), aims or objectives products, and services	Demonstrates a consistent understanding of the chosen company, its type, base(s), aims or objectives, products, and services	Demonstrates a critical understanding of the chosen company, its type, base(s), main aims and objectives, products, and services	Demonstrates a comprehensive understanding of the chosen company, its type, base(s), main aims and objectives, products, and services

Task 2 200 words

10 marks

Explain how your chosen company generates revenues and profits and compare its size and influence with others in the same industry.

0-2 marks	3 marks	4-5 marks	6 marks	7-10 marks
Gives a basic explanation of how the company generates revenues and profits with a basic reference to size or influence.	Gives a limited explanation of how the company generates revenues and profits with a limited analysis of size and/or influence	Provides a consistent understanding of the ways the company generates revenues and profits and an adequate assessment of size and/or influence	Provides a well explained analysis of the way the company generates revenues and profits and some indication and comparison of business size and influence.	Provides a detailed explanation of the ways the company generates revenues and profits and a well thought out assessment of its size and influence compared to others in the same industry.

Task 3 **800 words**

30 marks

Refer to the financial data provided in the document titled 'Financial Data for Introduction to Accounting and Economics' and dated for the relevant assessment cycle. Assume that this financial data is for your chosen company and reflects the type of business you have described in Tasks 1 and 2.

Calculate the following ratios for each year to one decimal place. Use end of year figures (note that insufficient detail is available to calculate averages)

- a. Gross profit margin
- b. Operating profit margin
- c. Return on capital employed
- d. Liquidity ratio
- e. Acid test ratio
- f. Inventories turnover period
- g. Settlement period for trade receivables
- h. Settlement period for trade payables
- i. Gearing ratio
- j. Interest cover

Include your calculations, in a table, in the appendix of your assignment. You will not receive marks directly for calculating the ratios, but you must use them to support your response to the following:

From the financial data provided and your calculation of ratios, identify trends and other relevant measures of financial performance relevant to the health and progress of your chosen company. Suggest reasons for the company's performance eg profitability has improved due to reduced operation costs and increased sales. Try to set your analysis in the context and industry in which your chosen business operates.

Do NOT use financial data from your chosen company's real financial reports. Refer ONLY to the financial data provided.

0-8 marks	9-11 marks	12-17 marks	18-20 marks	21-30 marks
Makes basic references to financial ratios	Provides limited calculations and references to financial performance	Provides adequate identification, selection and use of financial ratios and other measures of performance.	Provides sound identification, selection and use of relevantly categorised financial ratios, information about cashflow and/or other relevant measures of performance.	Provides coherent identification, selection and use of financial ratios to identify trends in liquidity, profitability, efficiency, long-term solvency, information about cashflow, and relevant measures of performance.
Demonstrates basic understanding of financial performance and trends	Demonstrates limited understanding of financial performance and trends	Demonstrates adequate understanding of financial performance and trends	Demonstrates good analysis and understanding of financial performance and trends	Demonstrates comprehensive analysis and understanding of financial performance and trends
Provides basic interpretation of company health	Provides limited interpretation of company health and progress	Provides consistent interpretation of company health and progress	Provides critical analysis and interpretation of company health and progress	Provides consistently critical analysis and interpretation of company health and progress

Task 4 800 words

30 marks

Explain the core concepts of economics which your company may use to help its decision making.

Discuss the microeconomic and macroeconomic factors which affect demand for its products or services in the short and medium term.

Describe the influence that your company has on the pricing of its products.

0-8 marks	9-11 marks	12-17 marks	18-20 marks	21-30 marks
Demonstrates basic understanding of core concepts of economics	Demonstrates limited understanding of core concepts of economics	Demonstrates adequate understanding of core concepts of economics	Demonstrates good understanding of core concepts of economics	Demonstrates comprehensive understanding of core concepts of economics
Demonstrates basic understanding of microeconomic and macroeconomic factors	Demonstrates limited understanding of microeconomic and macroeconomic factors	Demonstrates adequate understanding of microeconomic and macroeconomic factors affecting demand	Demonstrates good understanding of microeconomic and macroeconomic factors affecting demand for products and services in the short and/or medium-term	Demonstrates comprehensive understanding of microeconomic and macroeconomic factors affecting demand for products and services in the short and medium-term
Demonstrates basic understanding of the pricing of products	Demonstrates limited understanding of the pricing of products	Demonstrates adequate understanding of the pricing of products and the influence of the company	Demonstrates good understanding of the pricing of products and the influence of the company	Demonstrates comprehensive understanding of the pricing of products and the influence of the company

Task 5 500 words

20 marks

Use your analysis of your chosen company in the tasks, comprising the financial analysis and understanding of the economic concepts and factors, to recommend and justify a business strategy for your company for the next 5 years, focused on business growth and sustainability.

0-5 marks	6-7 marks	8-11 marks	12-13 marks	14-20 marks
Provides a basic recommendation of business strategy	Provides a limited recommendation of business strategy	Provides a consistent recommendation of business strategy	Provides a well explained recommendation of business strategy	Provides a comprehensive recommendation of business strategy
Provides a basic justification of business strategy	Provides a limited justification of business strategy	Provides a consistent justification of business strategy	Provides a well-argued justification of business strategy	Provides a comprehensive justification of business strategy
Demonstrates basic understanding of company needs for five years of business growth or sustainability.	Demonstrates limited understanding of company needs for five years of business growth or sustainability.	Demonstrates adequate understanding of company needs for five years of business growth and sustainability.	Demonstrates good understanding of company needs for five years of business growth and sustainability.	Demonstrates comprehensive understanding of company needs for five years of business growth and sustainability.

Learning Outcomes matrix

Task	Learning Outcomes assessed	Marker can differentiate between varying levels of achievement
1	1 & 2	Yes
2	1 & 2	Yes
3	1 & 3	Yes
4	2	Yes
5	1 & 2	Yes

Grade Descriptors

Learning Outcome	Pass	Merit	Distinction
Understand the purpose of accounting and its importance to a business for sustainability and decision making	Demonstrates adequate knowledge and understanding of the subject matter Provides consistent interpretation and evaluation of relevant information and ideas to complete tasks, address well defined problems, and give appropriate justification for conclusions	Demonstrates good knowledge and understanding of the subject matter Provides critical interpretation and evaluation of relevant information and ideas to complete tasks, address well defined problems, and give well explained and appropriate justification for conclusions	Demonstrates comprehensive knowledge and understanding of the subject matter Provides consistently critical interpretation and evaluation of relevant information and ideas to complete tasks, address well defined problems, and give well explained and highly appropriate justification for conclusions
Understand core concepts of economics and their application for businesses in the real-world	Demonstrates adequate ability to review effectiveness of methods, actions, and results Can adequately identify, select, and use appropriate information and/or skills, methods, and procedures to reach appropriate conclusions	Demonstrates sound ability to review effectiveness of methods, actions, and results Can soundly identify, select, and use appropriate information and/or skills, methods, and procedures to reach well explained and appropriate conclusions	Demonstrates comprehensive ability to review effectiveness of methods, actions, and results Can coherently identify, select, and use appropriate information and/or skills, methods, and procedures to reach well explained and highly appropriate conclusions
Analyse the financial health and performance of a business using information from financial statements and data	Uses appropriate investigation and/or analysis of supplied information to inform conclusions	Uses detailed investigation and/or detailed analysis of supplied information to inform conclusions	Uses thorough and detailed investigation and/or consistently critical analysis of supplied information to inform well explained conclusions