

Grade Descriptions for Cambridge International A Level Accounting 9706

What are grade descriptions?

Grade descriptions describe the level of performance typically demonstrated by candidates achieving the different grades awarded for a qualification. For Cambridge International A Levels, they describe performance at three levels – grades 'E', 'C' and 'A'.

Grade descriptions sit alongside other key documents that illustrate examination standards, including:

- the syllabus, which presents what students should be taught over a course of study and explains how this is assessed
- the specimen assessment materials, which exemplify the structure of the assessment and the kinds of tasks that candidates complete
- grade thresholds, which show the total mark required to achieve a grade.

Grade descriptions are produced with a wide range of audiences in mind. For teachers, they support lesson planning and curriculum development, while students may gain useful insights into what is required to achieve a high grade and what candidate performance at lower grades typically looks like. For university admissions staff and employers, and those less familiar with Cambridge, they paint a picture of typical performance at different grades.

Cambridge publishes grade descriptions for a qualification once examinations have taken place for the first time, and we review them when a qualification is substantially revised. They are developed by highly experienced examiners who understand performance standards in the subject area and have studied samples of candidate work.

How do I use this resource?

Grade descriptions are presented as a grid, with content areas at the start of each row and the different grades at the top of each column.

The content areas group together various aspects of the syllabus – they reflect topics, assessment objectives, key concepts, syllabus aims and components. The way they are organised is specific to each subject.

For each content area, there is a descriptor for each grade. Reading across the row from left to right, the descriptors represent increasing levels of performance, with each grade descriptor building on, and including, the last.

Each column represents overall performance at a particular grade. Reading down the column from top to bottom, the descriptors capture the range of knowledge, understanding and skills that a candidate comfortably achieving the grade is likely to demonstrate.

Where content areas for the first and second halves of the A Level are distinct, they are also assessed at different standards. Performance for content areas assessed at AS Level is therefore described separately in this document.

Cambridge produces grade descriptions to support teaching and learning and the interpretation of candidate scores and grades. We do not use them to set grade thresholds. As such, they cannot be used to challenge the grade awarded to any individual candidate.

Grade descriptions

Area of knowledge, understanding and skills	Typical performance at grade E	Typical performance at grade C	Typical performance at grade A
Financial accounting	<p>Students show knowledge of ethics and the International Accounting Standards in the syllabus as well as an understanding of the audit process.</p> <p>Students show a knowledge of acquisitions and mergers and can prepare basic financial statements for the newly formed business entity.</p>	<p>Students explain ethics and the International Accounting Standards in the syllabus and can explain the audit process.</p> <p>Students can calculate goodwill arising on acquisitions and mergers and can prepare the financial statements for the newly formed business entity.</p>	<p>Students exemplify ethics and the International Accounting Standards in the syllabus and the audit process. They can apply their knowledge to given scenarios.</p> <p>Students can make all required adjustments for an acquisition or merger and prepare the financial statements for the newly formed business entity. They explain the advantages and disadvantages of the acquisition or merger and evaluate the information to aid decision-making.</p>
Preparation of financial statements	<p>Students show that they have developed their knowledge of partnerships and limited companies and demonstrate an understanding of clubs and manufacturing businesses. They can prepare basic accounts for all these entities.</p>	<p>Students have developed the knowledge and understanding of all these entities such that they can prepare the accounts after making many of the required adjustments.</p>	<p>Students demonstrate a full understanding of these entities and can prepare the financial statements of all with few errors or omissions using the prescribed formats and correct terminology. They discuss and explain the given data to a user to assist in decision-making.</p>
Cost and management accounting	<p>Students show that they can use activity-based costing by using cost drivers to allocate overheads as a contrast to absorption and marginal costing. They have a knowledge of standard costing and can calculate variances.</p>	<p>Students use activity-based costing to calculate the total cost and selling price of a product in comparison to absorption and marginal costing. They use standard costing to calculate variances and discuss possible causes of these variances.</p>	<p>Students use activity-based costing to calculate the total cost and selling price of a product in comparison with absorption and marginal costing and advise whether the method should be adopted. They calculate variances and discuss possible causes and the relationship between the variances.</p>

Area of knowledge, understanding and skills	Typical performance at grade E	Typical performance at grade C	Typical performance at grade A
	Students show a knowledge of cash flows and can make calculations using the various capital investment appraisal techniques.	Students can make capital investment appraisal calculations using the various techniques and advise of the advantages and disadvantages of each of these techniques.	Students can make capital investment appraisal calculations using the various techniques and make an evaluation considering all factors including, non-financial ones, so that the user can make an informed decision.
Analysing and interpreting data	<p>Students calculate the investment ratios and provide a limited analysis of the results.</p> <p>Students analyse data and make limited business decisions.</p>	<p>Students calculate the investment ratios and interpret the results after analysis to benefit the users.</p> <p>Students analyse data and make business decisions from which recommendations may be made.</p>	<p>Students calculate the investment ratios, interpret the results and provide a detailed analysis which may require consideration of the inter-relationships between ratios.</p> <p>Students analyse data and make business decisions leading to concise recommendations after full consideration of financial and non-financial factors.</p>
Evaluation	<p>Students can advise a user which option to take and justify the decision with one or two valid points.</p> <p><i>The evaluation skills are as for AS Level but on more advanced topics.</i></p>	<p>Students can advise a user which option to take and justify the decision with more than two valid points.</p> <p><i>The evaluation skills are as for AS Level but on more advanced topics.</i></p>	<p>Students can advise a user which option to take and justify the decision with a comprehensive range of valid points which consider all options.</p> <p><i>The evaluation skills are as for AS Level but on more advanced topics.</i></p>

Additional content assessed at AS Level standard

Area of knowledge, understanding and skills	Typical performance at grade E	Typical performance at grade C	Typical performance at grade A
<p>Financial accounting</p>	<p><i>Students show knowledge of legal form, ownership, management and control, and advantages and disadvantages of different types of business entities. They recognise possible funding methods used by these entities.</i></p> <p><i>Students demonstrate partial knowledge of the manual and computerised accounting systems, accounting theories and concepts. They have some knowledge of the double-entry system for recording business transactions in the book of accounts and the various stages in the accounting process.</i></p> <p><i>Students can prepare financial statements for the required entities after accounting for some adjustments. They show a fair knowledge of various methods available to identify and rectify errors and omissions in accounting.</i></p> <p><i>Students can calculate most profitability, liquidity and efficiency ratios and provide partial analysis of the results.</i></p>	<p><i>Students explain differences in the legal form, ownership, management and control, and advantages and disadvantages of different business entities. They recognise various funding methods used by these entities and demonstrate some understanding of differences between these methods.</i></p> <p><i>Students explain the differences between manual and computerised accounting systems and their advantages and disadvantages. They explain various accounting theories and concepts. They demonstrate application of the double-entry system for recording business transactions in the book of accounts and an understanding of the various stages in the accounting process with a fair level of accuracy.</i></p> <p><i>Students can prepare financial statements in the prescribed format to a fair standard after accounting for most adjustments. They can identify and rectify most errors and omissions in accounting.</i></p> <p><i>Students can calculate profitability, liquidity and efficiency ratios and interpret the results for decision-making.</i></p>	<p><i>Students elucidate differences between various business entities with reference to their legal form, ownership, management and control, and advantages and disadvantages. They show a full understanding of funding methods supported by concise explanation.</i></p> <p><i>Students demonstrate complete understanding of manual and computerised accounting systems and their advantages and disadvantages. They explain various accounting theories and concepts correctly and with appropriate examples. They apply the double-entry system for recording business transactions through all the stages in the accounting process with complete accuracy.</i></p> <p><i>Students can prepare financial statements after accounting for all adjustments. The statements are prepared to a high standard and in the prescribed format. There are few or no errors.</i></p> <p><i>Students can calculate profitability, liquidity and efficiency ratios and provide a report detailing methods of improvement and limitations. They can make informed business decisions using a range of relevant information.</i></p>

<i>Area of knowledge, understanding and skills</i>	<i>Typical performance at grade E</i>	<i>Typical performance at grade C</i>	<i>Typical performance at grade A</i>
Cost and management accounting	<p><i>Students show knowledge of accounting for materials and labour costs.</i></p> <p><i>Students can prepare a basic profit statement showing direct and indirect costs using traditional costing methods of absorption and marginal costing.</i></p> <p><i>Students show knowledge of cost–volume–profit analysis.</i></p>	<p><i>Students can apply their knowledge to account for materials and labour costs.</i></p> <p><i>Students can prepare a profit statement using the traditional costing method of absorption costing, which accounts for under- and overabsorption, and as a profit statement using marginal costing.</i></p> <p><i>Students can apply their knowledge of cost–volume–profit analysis to advise users to make business decisions.</i></p>	<p><i>Students can account for materials and labour costs and prepare a profit statement using both absorption and marginal costing. They can explain the causes of under- and overabsorption and the usefulness of both marginal costing and absorption costing with clear and concise differentiation. They can compare the two methods and reconcile profits calculated under each method.</i></p> <p><i>Students can carry out a detailed cost–volume–profit analysis considering all factors, including non-financial ones, and can advise users accordingly.</i></p>

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