

EXPERT GROUP REPORT
FOR
AWARD SEEKING ADMISSION TO
THE UCAS TARIFF

AAT NVQ IN ACCOUNTING AT LEVEL 3

December 2006

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THE CONDUCT OF THE COMPARABILITY STUDY

In order to ensure a robust and transparent procedure for allocating UCAS Tariff points to qualifications seeking admission to the framework, UCAS approached the University of Oxford, Department of Educational Studies for assistance in developing an appropriate methodology.

Acknowledging the problematic nature of comparability studies, and recognising that a mechanical procedure would not work, the Department proposed a procedure based on the premise that such comparisons can only be achieved through the exercise of collaborative judgement by an Expert Group.

Guidelines were drawn up for the composition of the Expert Group, the evidence that would need to be collected and examined and the choice of a benchmark qualification.

Procedures were developed for the conduct of the work of the Expert Group, including detailed sets of questions to be addressed at different stages in the process. Questions appropriate to the awards under consideration are selected and are used to guide, not constrain, the work of the Expert Group.

The judgements made by Expert Groups are presented as suggested allocations of UCAS points which take account of the size and demand of the award seeking admission to the Tariff and a candidate's level of attainment within that award.

The work of all Expert Groups is subject to a quality assurance procedure, which includes scrutiny of the Group's report by an independent auditor from Higher Education (HE).

The judgements made by the Expert Group in this report are presented as suggested allocations of UCAS points which take account of the size and demand of the award seeking admission to the Tariff, and a candidate's level of attainment within that award.

The guidelines also provide for an automatic review process to be conducted at a later stage in the light of further evidence. This latter point acknowledges the fact that both benchmark qualifications and those seeking admission to the Tariff may still be relatively new. Consequently there may only be a relatively small amount of evidence (particularly candidate evidence) available at the time of the work of the Expert Group. There is, therefore, a need to review the decisions of the Group when more evidence becomes available and when HE admissions tutors have gained more experience of using the awards as entry qualifications.

The work of the Expert Group is subject to a quality assurance procedure by an independent auditor from Higher Education.

SUMMARY AND RECOMMENDATIONS

This report contains a detailed examination by an Expert Group of the AAT NVQ in Accounting at Level 3 against the selected benchmark qualification, the AQA A-level in Accounting. Section 1 of the report describes the composition of the Expert Group. Sections 2 and 3 provide an overview of the qualifications. Section 4 describes the procedures followed by the Expert Group, and reflects, in its structure, the sets of questions which were addressed and the Group's decision-making processes.

A comparison of the aims of the qualifications showed that while there were differences in the expression of aims between the two Awarding Bodies, they were essentially the same.

The Expert Group therefore faced three main tasks:

1. To determine the size of the AAT NVQ in Accounting at Level 3 in relation to the AQA A-level in Accounting
2. To calibrate the competent/not competent grades of the AAT NVQ against those of the benchmark award (Grades A to E)
3. To allocate Tariff points to the AAT NVQ in Accounting at Level 3.

For the first task, a comparison of notional study hours was carried out, followed by a detailed analysis of common and unique areas of content. On the basis of this analysis the Expert Group concluded that the AAT qualification was similar in size or slightly larger than the GCE A-level.

For the second task, a practical assessment exercise was carried out, where Group members looked in detail at the assessment models, examination papers and how they were marked, and compared candidate scripts. This was a particularly difficult comparison because of the very different assessment procedures used in the two qualifications and their different purposes even though the assessment of both qualifications utilises examination and, in the case of the AAT, skills tests undertaken under controlled conditions.

Overall it was felt that the structure of the assessment models was similar. The AAT NVQ looks for overall competence across the descriptors which focus on knowledge and application and the A-level looks at assessment of the four outcomes of knowledge, application, analysis and evaluation. The Expert Group members were of the opinion that approaches were comparable in terms of what was being assessed. It was concluded that a pass in the three units 5, 6 and 7 in the AAT NVQ were equivalent in terms of demand to the achievement of an A-level at Grade A.

However, two additional units in the NVQ (Units 21 and 22) also needed to be taken into account. Following the Expert Group meeting, further work was undertaken on the two additional units in the AAT NVQ mapping *Unit 21 Working with computers* against the key skills specification for ICT. This mapping suggested that successfully completing this unit should attract a further 10 UCAS Tariff points.

Unit 22 Contribute to the maintenance of a healthy, safe and productive working environment was found to cover some of the material which was described as work process knowledge in the Expert Group meeting for the Advanced Apprenticeship frameworks in engineering and e-skills. Following the logic advanced by these groups, but recognising the smaller size of Unit 22 compared to the equivalent units in the engineering Advanced Apprenticeship framework, led to a further recommendation of an additional 30 UCAS Tariff points.

These additional recommendations were circulated to the members of the Expert Group by email and were unanimously accepted.

The Expert Group therefore recommends the allocation of Tariff points set out below:

AAT NVQ Level 3	UCAS Tariff Points
Units 5, 6 & 7	120
Unit 21	10
Unit 22	30
Total	160

SECTION 1: THE COMPOSITION OF THE EXPERT GROUP

The following individuals with expert knowledge and experience of the qualifications under consideration in this study were selected:

Carol Harris	AAT Chief External Verifier
Dr Pauline Dixey	AAT Consultant and Systems Verifier
David Austen	AQA Chair of Examiners, GCE Accounting
Dr Peter Andrew	HE Representative (University of Portsmouth)
Dr Tony Muff	HE Representative (University of Northampton)

In addition, Clare Cooper, Centre Development Manager at AAT, attended as an observer.

Margaret Sinclair-Hunt acted as the facilitator for the work of the Group, ensuring that the Group worked systematically through the procedures.

Helen Wakefield, Tariff and Support Officer at UCAS, guided and supported the work as well as acting as secretary to the meeting.

The whole process was overseen and quality assured by Dr Geoff Hayward, an independent HE-based consultant.

SECTION 2: OVERVIEW OF BENCHMARK AWARD – AQA GCE A-LEVEL IN ACCOUNTING

1. Aims and purpose of the qualification

The aims of the A-level include the development of knowledge and understanding and skills in carrying out tasks. There is also an emphasis on understanding the subject's context (e.g. limitations, social implications, effects of legal changes on accounting, etc.) and on developing educational skills (including analytical and evaluation skills, numeracy and literacy).

The qualification has two main purposes:

- To provide an appropriate foundation for the further study of accounting in higher education, both vocationally based and academically based
- To provide a worthwhile course of study as part of an individual's general education, developing educational and other skills which can be valuable in other courses of study or employment.

2. History of the qualification

A-level Accounting was introduced by the Associated Examining Board over 40 years ago. The current modular specification dates from the Curriculum 2000 changes and is now being revised for 2008.

3. Entry requirements for the qualification (including literacy standards)

Centres can implement whatever entry requirements they please. The norm is for a student aged 16 to have 5 GCSE Grade C passes or higher. Students who have not reached Grade C in mathematics or English language normally have to improve their grade alongside A-level studies or take an equivalent qualification.

4. Age of candidates

The majority of learners start GCE Accounting at age 16. In June 2006, 83% of the candidates for AS-level were 16–18 and 17% of the candidates were aged 19+.

5. Guided learning hours

There is variation in hours available for study from centre to centre. A typical pattern would be 4½ to 5 hours per week for the 2-year course. The first year would typically consist of (say) 34 weeks of study and the second year 30 weeks of study.

6. Content and structure of the qualification

It is assumed that students have no prior knowledge of accounting when they start the qualification. There are seven modules and candidates must take six modules for the full qualification. Module 2 is offered as an alternative to Module 1.

7. Assessment – procedures, methods and levels

All assessment is external with six papers, one for each module. Each paper is of equal weight and must reflect four assessment objectives based on educational skills. The overall weighting is 35% knowledge and understanding, 25% application, 25% analysis, 15% evaluation.

The AS component of the qualification taken in the first year provides a foundation in financial accounting and introduces students to aspects of costing and management accounting. Students who only take the subject to AS level, therefore, have a broader understanding of functions of accounting. The main focus is on sole traders and limited companies. Students develop skills in double-entry record keeping including recording VAT. Students are also expected to have an understanding of accounting concepts and some complex applications of these. Thus, students are expected to analyse and comment on a business's performance and prepare budgets. In carrying out these procedures students need to demonstrate understanding of their purpose and limitations.

The A2 Modules develop a more advanced understanding of financial, cost and management accounting. Students develop their skills in completing final accounts for partnerships, and study some advanced and complex aspects of accounting for partnerships (e.g. dissolution) and for limited companies (e.g. preparation of cash flow statements). Students also develop an understanding of costing techniques including some advanced techniques (standard costing). Students are expected to provide comprehensive reports on business performance (limited companies). Students analyse profitability and liquidity and make judgements on the success of an organisation and make recommendations. Students study some conceptually difficult issues, e.g. the application of accounting concepts to more advanced matters (treatment of goodwill); financial accounting standards. Students must be able to demonstrate an understanding of the purpose, benefits and limitations of those procedures and look at business decision-making from an external viewpoint (social accounting).

Each A2 assessment unit (Accounting 5, 6 and 7) must contain a synoptic element (candidates must demonstrate an understanding of the subject as a whole, not just the unit material).

The entire qualification is accommodated at level 3 of the National Qualifications Framework.

8. Grading

Candidates are graded on a five-point scale (A to E) with Grade U (unclassified) for those who fail to reach the minimum standard for Grade E. Grade descriptors give a broad picture of what can be expected of candidates at various levels of attainment.

9. QA systems and code of practice

All aspects of the examination process are subject to QCA codes of practice.

Example 1

Draft exam papers are subject to scrutiny by a ‘reviser’ before being reviewed by the whole subject committee (made up of examining team plus delegates from centres). One of the committee’s tasks is to ensure the exam paper adheres to the criteria for inclusion of educational objectives.

Example 2

The awarding body follows strict procedures which include the use of statistical data to ensure the standard adopted in one year is applied in subsequent years. Statistical data are based on the GCSE profile of the candidature. The views of the awarding committee about the standard of scripts submitted is also taken into account in awarding grades, following strict procedures adopted by all awarding bodies and laid down by QCA.

Example 3

The specification content and assessment patterns are subject to QCA’s strict guidelines. Recent specification development has involved representatives from the relevant Awarding Bodies, centres and the accountancy profession.

SECTION 3: OVERVIEW OF THE AWARD SEEKING ADMISSION TO THE UCAS TARIFF – ASSOCIATION OF ACCOUNTING TECHNICIANS (AAT) LEVEL 3 NVQ

1. Aims and purpose of the qualification

Students at this level will achieve competence that involves the application of knowledge in a broad range of varied work activities, performed in a wide variety of contexts, most of which are complex and non-routine. There is considerable responsibility and autonomy, and control or guidance of others is often required. NVQ Level 3 allows for demonstration of competence and knowledge and understanding in two broad areas of financial accounting and cost accounting. Activities such as preparing final accounts are non-routine and complex.

2. History of the qualification

NVQ Level 3 was first accredited in 1993. As for all NVQs, the qualification has been regularly updated and the last revision took place in 2003. The next update will be in 2007.

3. Entry requirements for the qualification (including literacy standards)

The qualification is open access, although a good level of numeracy and literacy is required. However, 75% of students at this level progress from NVQ Level 2 even though this is not a formal requirement.

4. Age of candidates

The AAT students range in age between 16 and 75, with most students being 24–50 years of age. There are currently about 500 centres in the UK and overseas which offer the qualification.

5. Guided learning hours

This varies between training providers but on average, teaching time would be 6–8 hours per week for approximately 33 weeks, plus tutorial time and 6 hours per week of self-study. There are many ways in which centres deliver the AAT qualification – day release, afternoon and evening, two evenings and full-time. By far the most common delivery mode is on a part-time basis, amounting to 6 hours' delivery time (e.g. 3 hours x 2 evenings) per week over 33 weeks plus self-study.

6. Content and structure of the qualification

As with all NVQs, the AAT is based on nationally agreed standards of competence that set out the skills and knowledge necessary to fulfil an accounting technician role. These standards are regularly updated in consultation with employers, ensuring AAT students are up to date with current work practices and legislation.

At Level 3 students are required to study five units:

QCA Unit	Unit	Title
T/101/8103	5	Maintaining financial records and preparing accounts
A/101/8104	6	Recording and evaluating costs and revenues
F/101/8105	7	Preparing reports and returns
L/101/8088	21	Working with computers
J/101/8090	22	Contribute to the maintenance of a healthy, safe and productive working environment

For those unfamiliar with the qualifications some description of the structure of an NVQ unit in the AAT might be helpful at this point. The specification for each unit starts with a commentary that outlines the purpose of the unit. This is followed by a list of statements of competence. For example, in Unit 5 of the AAT there are three such statements:

- Element 5.1 Maintaining records relating to capital acquisition and disposal
- Element 5.2 Collecting and collating information for the preparation of final accounts
- Element 5.3 Preparing the final accounts of sole traders and partnerships.

A candidate successful in this will have demonstrated their competence in these three areas in a range of contexts. There then follows a long list of statements that summarise the knowledge and understanding needed to perform effectively in this area of accountancy work. In the case of Unit 5, 31 statements of knowledge and understanding are listed, divided into four areas:

- The Business Environment
- Accounting Techniques
- Accounting Principles and Theory
- The Organisation.

Then, for each statement of competence, a number of performance criteria are listed: 9 for element 5.1, 8 for element 5.2 and 4 for element 5.3. These performance criteria are then followed by a range statement which specifies the contexts to which the element relates. Appendix 3 provides an example of one such unit from the AAT Level 3 qualification. The table below summarises the structure of the three Accountancy units in the Level 3 AAT qualification.

Unit name	Number of elements	Number of knowledge statements	Number of performance criteria	Number of range statements
5. Maintaining financial records and preparing accounts	3	31	21	21
6. Recording and evaluating costs and revenues	3	27	19	16
7. Preparing reports and returns	3	19	14	24

7. Assessment – procedures, methods and levels

The units are assessed through the following methods:

- Unit 5 – exam and skills test
- Unit 6 – exam and skills test
- Unit 7 – skills test
- Unit 21 – skills test
- Unit 22 – skills test

The AAT is unique among NVQs in that formal examinations are part of the assessment strategy. **Exams** are set and marked by the AAT, and test the application of knowledge and understanding. Exam sittings take place in December and June.

Skills tests are set by the AAT and assessed by the centre using qualified assessors employed by the training provider. They evaluate the ability to perform practical activities across all of the performance criteria, range and knowledge and understanding requirements of a unit. Skills tests take place throughout the year as part of the course. A small number of AAT training providers are allowed to set centre-devised simulations, and there is a rigorous quality assurance procedure that must be followed before approval is granted.

Skills tests form the basis of the **Portfolio** – a folder of evidence that needs to be completed in order for the student to demonstrate their competence against the standards being assessed. This evidence can be from the workplace, or simulated work-based exercises (skills tests). The Portfolio shows that tasks can be performed across the range of circumstances specified in the range statements for each unit of the award.

8. Grading

As the qualification is an NVQ, students are deemed either competent or not competent. There is no grading within the award of competent.

9. QA systems and code of practice

As an NVQ awarding body the AAT adheres to the Code of Practice and has rigorous quality assurance policies that cover the following areas:

- Pre-testing of all exams and simulations (both for technical content and Plain English)
- Post-exam panels to review candidate performance
- Annual external verification visits to approved assessment centres to monitor the quality of teaching and assessment.

SECTION 4: THE WORK OF THE EXPERT GROUP

The Expert Group met on 21 September 2006. This section contains an account of the deliberations and outcomes of that meeting.

4.1 Prior to the meeting

Prior to this meeting some preliminary work was carried out. This included a detailed mapping of the AAT NVQ in Accounting at Level 3 against the AQA GCE A-level in Accounting, reports from two HE representatives highlighting similarities and differences between the two qualifications and comparative studies from a representative from each Awarding Body. Pre-meeting papers were distributed, requiring members of the group to compare aims, content, study hours, relative size and assessment models of the AAT NVQ in Accounting at Level 3 and that of the AQA Accounting A-level.

4.2 Comparison of aims

An examination of the aims of the AAT NVQ and those of the A-level in Accounting showed that there was common ground in terms of providing the basis for progression to HE. The aims of both awards were concerned with the development of knowledge, understanding and skills in the subject. Much discussion took place around the development of analysis and evaluation and how this was evident in the two qualifications. The group agreed that the aims of the two awards were broadly the same although expressed differently. This was well summarised by Carol Harris, the AAT's Chief External Verifier, as follows:

The NVQ standards allow AAT candidates to:

- a) demonstrate knowledge and understanding of the business environment, accounting techniques, accounting principles and theory, and the organisation*
- b) apply their knowledge and understanding to a broad range of varied work activities, performed in a wide variety of contexts, most of which are complex and non-routine. There is considerable responsibility and autonomy, and control or guidance of others is often required*
- c) meet all the requirements for each element as stated in the performance criteria.*

The A-level specification aims to develop:

- a) knowledge and understanding of the purposes of accounting, its concepts and techniques and their development as well as an appreciation of the limitations of accounting*
- b) an appreciation of the effects of economic, legal and technological change on accounting, and of the social implications of accounting decisions*
- c) the skills of communication, numeracy, presentation, analysis, interpretation, application and evaluation of accounting information.*

The notional parity of esteem between the two qualifications is similar although, in reality, the relative content is somewhat different. However, the underlying aims of the two qualifications have many similarities, but these are articulated in a somewhat different way.

The critical feature of the content of the NVQ is that the candidate must [demonstrate] competence across the entire range of performance criteria and associated range and knowledge and understanding, through a mix of skills tests and examinations.

The HE representatives on the Expert Group also confirmed that the AAT had utility for supporting progression to Higher Education.

4.3 Determining size – comparison of guided learning hours

The Expert Group agreed that, in accordance with the protocol, their first task was to develop a methodology to determine the relative size of the two awards.

Since one measure of the size and demand of an award is the number of hours of study needed to complete it, the Expert Group first examined information on guided learning hours (glh). Since neither qualification has a specified number of glh the Expert Group relied on information provided by Carol Harris (the AAT Chief External Verifier), Dr Pauline Dixey (an AAT Consultant and Systems Verifier), and David Austen (AQA Chair of Examiners, GCE Accounting). On the basis of the information provided and clarified in an ensuing discussion, the following generalised picture emerged.

A typical part-time AAT Level 3 student has 6 contact hours per week (3hrs x 2 evenings per week) over 30–36 weeks = 180–216 glh, i.e. 198 glh on average. However students studying full-time, whereby they participate in an integrated course leading to both the AAT NVQ 2 and the AAT NVQ 3, would have at least 16 hours contact time per week over 30 weeks = 480 glh.

GCE A-level is normally taken over two years with the following break-down of time suggested by the AQA Chair of Examiners, GCE Accounting:

Year 1: 34 weeks x 4.5–5 hours per week contact time

Year 2: 30 weeks x 4.5–5 hours per week contact time

In each year there would also be private study time of, say, 3–4 hours per week. No part of the contact time would be used for formal assessment.

Thus, on average, an A-level student would have about 4.5 contact hours per week over 64 weeks = 304 glh. Thus, in terms of guided learning hours the Expert Group concluded that the AAT at Level 3 was about two thirds of an A-level in volume.

However, in considering the guided learning hours, it was noted that while it is possible for candidates to enter the AAT straight at Level 3 (as in the part-time route indicated above), most candidates do the Level 2 qualification first. The Level 2 qualification covers content that is similar to that covered in the GCE AS-level, for example double entry book-keeping. As the A-level includes such work done for AS, the group considered it appropriate to take this into consideration in their deliberations about the size of the respective qualifications. Furthermore, it is evident from consideration of the statements of knowledge and understanding made in the AAT Level 3 units that

candidates are expected to know and understand material that is covered at Level 2. For example, in AAT Unit 5, statement 23 is “The principles of double entry accounting”, i.e. a topic covered in the AAT Level 2 qualification. Table 1 shows the match between AAT Level 2 units and the GCE AS units.

This overlap between the Level 2 and NVQs in Accounting and the AQA GCE A-level specification is also formally recognised on p.40 of the AQA specification. For example, it is recognised that Units 1 and 2 of the NVQ at Level 2 overlap in content with Module¹ 1 of the AS.

Table 1: Units in the AAT Level 2 qualification and Modules in the GCE AS-level in Accounting

AAT Level 2	GCE AS-level
Unit 1 – Recording income and receipts	Module 1 – Financial accounting: the accounting information system
Unit 2 – Making and recording payments	Module 2 – Financial accounting: introduction to published accounts of limited companies
Unit 3 – Preparing ledger balances and an initial trial balance (exam and skills test)	Module 3 – Financial accounting: determination of income
Unit 4 – Supplying information for management control	Module 4 – Introduction to accounting for management and decision making
Unit 21 – Working with computers *	
Unit 22 – Health and safety *	
Unit 23 – Achieving personal effectiveness	

Thus, elements of the AAT at Level 2 NVQ are covered in the GCE AS and, if this is taken into account, then the AAT might be half as large again as the GCE A-level, as judged by guided learning hours. In summary:

Award	GLH	Size relative to A-level
A-level	304	
AAT (part-time NVQ 3)	198	65%
AAT (full-time NVQ 2 & 3)	480	157%

However, given that there is not a complete overlap in content between the AAT Level 2 and the GCE AS-level, and given that Unit 4 Supplying information for management

¹ In the GCE A-level specification units of assessment are called both Units and Modules. In this report the term Module has been used to make clear the difference between a component of the GCE A-level, a Module, and a Unit of the AAT examination.

control of the AAT Level 2 was primarily concerned with basic word processing, spread sheet work, cost centres, coding and comparing sources of information, the Expert Group concluded that, on the basis of their discussion of the guided learning hours for each qualification, the AAT might be considered to be somewhere between two thirds and one and one third the size of the GCE A-level.

On the basis of comparing the guided learning hours for the AAT NVQ in Accounting at Level 3 with those of the GCE A-level in Accounting, the following initial estimates of UCAS Tariff points for the AAT were suggested:

A-level	=	304glh	=	120 UCAS Tariff points
AAT (P/T)	=	198glh	=	80 UCAS Tariff points
AAT (F/T)	=	480glh	=	160 UCAS Tariff points

This hypothesis about the ‘volume’ of the AAT relative to the GCE A-level was then tested by a detailed mapping of the content of the AAT at Level 3 to the GCE A-level.

4.4 Determining size – breadth and depth of content coverage

The Expert Group moved on to consider the common and unique areas of content in the specifications. The mapping exercise showed points of comparison between the AAT NVQ in Accounting at Level 3 with the A-level in Accounting. There also appeared to be some differences, so the Expert Group felt that it was important to consider in more detail the mapping of individual units within each award to each other.

The methodology adopted for this exercise involved:

- Comparing the ways and the extent to which the content was similar/different
- Identifying content areas which are common or are unique
- Deciding if common areas were being treated in the same way and to a similar depth
- Identifying if unique areas are comparable to any of the other areas in terms of volume of study.

It was noted that both awards contained common areas for financial accounting for sole traders and partnerships, including day-to-day accounting records and final accounts, as well as most aspects of cost accounting. The A-level gave more attention to limited companies and social accounting, while the AAT included some detailed aspects of financial accounting such as extended trial balances and preparing financial reports, as well as a whole unit on working with computers and another whole unit on health and safety. It was also felt that the AAT award made greater demands on the student to demonstrate knowledge, while the A-level student is expected to adopt a more conceptual approach. The Expert Group spent some considerable time looking at the respective awards modules and units in detail using the mapping produced prior to the meeting as a basis for comparison. This is attached as Appendix 1. In addition, David Austen (AQA Chair of Examiners, GCE Accounting) also produced two content maps, one from the A-level to the AAT and the other from the AAT to the A-level. These are attached as Appendix 2.

The GCE A-level students can choose to take either *Module 1 Financial accounting: the accounting information system* or *Module 2 Financial accounting: introduction to published accounts of limited companies*. In fact, the vast majority of students take Unit 1. There is only a slight match between Module 2 of the A-level and the AAT, with much of the content of this A-level module being covered in the AAT Accounting Technician qualification at Level 4. The Expert Group agreed, therefore, to consider Module 1 of the AAT for the purposes of the mapping exercise between the two qualifications.

A-level Module 1 – The Accounting Information System

Much of the content of this unit is spread across the AAT qualification but is found predominantly in Unit 5 of the AAT. The double entry book-keeping aspects, which are taught as part of this AS-level module, are taught in the AAT Level 2 qualification, but knowledge of double entry accounting is required for the AAT Unit 5. The A-level module covers the use of computers in accounting which was not part of the AAT qualification (though there is some mention of this in Unit 7 of the AAT), with the AAT *Unit 21 Working with computers* being more general in its scope.

A-level Module 3 – Financial Accounting

Again much of the content is covered in the AAT Unit 5 with two exceptions:

- Final accounts and balance sheets of manufacturing organisations
- Limited liability companies – structure, internal accounts and balance sheets.

The key difference here is the more explicit focus on limited liability companies in the GCE A-level, which is not covered to the same extent in the AAT.

A-level Module 4 – Introduction to Management Accounting

Three parts of the A-level specification for this module were unique:

- Some ratios relating to liquidity and some aspects of profitability
- Budgeting and budgetary control
- Factors affecting decision making – social accounting.

In relation to the last bullet point, this reflects a fundamental difference in the aims of the A-level compared to the AAT: the A-level explicitly sets out to raise awareness of social aspects of accounting; the AAT, with its emphasis on in-depth practical knowledge and skills, does not. For example, GCE A-level students would consider issues such as the wider social implications of the decision of a manufacturing firm to close a factory because it was running at a loss. While this might be good for the business, what are the implications for the community? The AAT members of the Expert Group agreed that such questions do not form part of the specified content of the AAT. The AAT representatives on the Expert Group argued, however, that it was likely that AAT tutors would touch upon such topics as you could not teach the qualification without so doing.

In addition, one of the reasons for including these topics in the A-level was to provide a vehicle for asking questions to assess evaluation skills. Within the AAT such evaluative questions would be asked, to some extent, in the assessment of Unit 7. Here candidates

are asked to undertake complex data analysis tasks and make decisions on the basis of that analysis, albeit of a technical rather than a social nature.

Despite these comments the question remained of whether the more explicit focus on social issues in the GCE A-level, and the sort of evaluation skills associated with the assessment of this type of content, were important in terms of supporting progression to Higher Education. The HE representatives on the Expert Group pointed out that these topics were covered in the first year of an accounting degree and therefore the lack of a match provided little problem in terms of progression to Higher Education; it was nice if candidates had such skills and knowledge but there was plenty of time to develop an understanding of these sorts of social accountancy issues once the student entered Higher Education.

In terms of technical knowledge the HE tutors agreed that the content of the A-level Module 4 and AAT Unit 6 were very similar with the small exceptions noted in the bulleted list above.

A-level Module 5 – Further Aspects of Financial Accounting

In general, the Expert Group thought that there was a good match here to the AAT Unit 5. The following areas that were covered by the A-level but not the AAT were noted:

- Only parts of the incomplete records topic were covered in the AAT
- Non-profit making organisations
- Partnership accounts (admission and dissolutions)
- Types of business organisation and sources of finance.

In general, on the basis of the comparison made of the specifications, it would appear that the AAT students would not develop as great an appreciation of equity or debt compared to the A-level students; and would have a more limited understanding of limited companies and possibly of partnership accounts. For example, in terms of techniques the dissolution of partnership accounts is not covered in the NVQ.

A-level Module 6 – Published Accounts of Limited Companies

As the tabulation in Appendix 2 makes clear there is very little match between this A-level unit and the AAT qualification. Given that this unit represents 16.7% of the A-level marks and is synoptic this is a major difference between the AAT and the GCE qualifications.

A-level Module 7 – Further Aspects of Management Accounting

Here the Expert Group indicated that there was a much stronger overlap in the content of the GCE A-level and the AAT qualification. However, standard costing and variance analysis were covered in the A-level but not in the AAT, and there was again an emphasis in the A-level on decision making around social accounting.

To summarise, the view of the Expert Group at this stage was that there was a reasonably good content match between the two qualifications with the exception of GCE A-level Module 2, the greater amount of work on limited companies in the A-level (especially

Module 6), and the lack of focus on social accounting issues in the AAT. The group then explored the comparison from the AAT to the GCE A-level to ascertain if there was content in the NVQ that was not covered in the GCE qualification.

AAT Unit 5 – Maintaining Financial Records and Preparing Accounts

As the maps in Appendices 1 and 2 show, there is considerable overlap between the knowledge and understanding covered in this unit and that in the GCE A-level. There are three unique areas of content (as identified in Appendix 2) in this unit which relate to statements of knowledge and understanding:

- How to use plant registers
- The function and form of an extended trial balance
- The process of ledger reconciliation.

These represent three out of the 31 knowledge statements for this unit, i.e. about 10% of the content.

AAT Unit 6 – Recording and Evaluating Costs and Revenues

Again there is a good match to content in the A-level but with a rather longer list of unique areas:

- Methods for and calculation of payments for labour
- Cost-volume-profit analysis
- Methods of project appraisal: IRR (half of the knowledge and understanding statement)
- Relationship between materials costing systems and the stock control system
- Relationship between labour costing system and expenses costing system
- Costing systems appropriate to the organisation: job, batch, unit and process costing systems.

These represent 6.5 knowledge statements for this unit, i.e. about 25% of the content.

AAT Unit 7 – Preparing Reports and Returns

The match between this AAT unit and the A-level was much poorer with only two out of 19 knowledge and understanding statements covered by the A-level, i.e. almost 90% uncovered.

Balancing the Accounts

On the basis of this discussion, the group confirmed the findings of the initial mappings in terms of similarities and differences. The discussion then centred on the relevance and importance of these differences, and the extent to which the content unique to the A-level was balanced by content unique to the AAT. Table 2 provides a summary of the unique elements for each qualification (taken from Appendix 2) to facilitate this comparison.

Table 2: The unique knowledge areas in each qualification

GCE A-level	AAT
<ul style="list-style-type: none"> ▪ Computers in accounting ▪ Final accounts and balance sheets of manufacturing organisations ▪ Limited liability companies – structure, internal final accounts and balance sheets ▪ Some ratios (relating to liquidity and some aspects of profitability) ▪ Budgeting and budgetary control ▪ Factors affecting decision making – social accounting ▪ Incomplete records as a whole topic ▪ Non-profit making organisations ▪ Partnership accounts (admission and dissolutions) ▪ Types of business organisation and sources of finance ▪ Published accounts and requirements of user groups ▪ Rights issues, bonus issues ▪ Published accounts and ratio analysis ▪ Accounting standards (some aspects) ▪ Standard costing and variance analysis ▪ Other factors affecting decision making, social accounting 	<ul style="list-style-type: none"> ▪ Plant registers ▪ Extended trial balance ▪ Ledger reconciliations ▪ Methods of calculating payments for labour ▪ Cost-volume-profit analysis ▪ Capital appraisal (IRR) ▪ Relationship between materials costing and stock control ▪ Relationship between labour costing and payroll ▪ Costing systems (batch, etc.) ▪ Main sources of relevant government information ▪ Relevant performance and quality measures ▪ Main types of organisation requiring reports and returns ▪ Basic law and practice relating to all issues covered in range statement ▪ Customs and Excise Guide ▪ Administration of VAT ▪ Special schemes (for VAT) ▪ Standard units of inputs and outputs ▪ Use of index numbers ▪ Main types of performance indicators ▪ Tabulation of accounting and other quantitative information using spreadsheets ▪ Methods of presenting information: diagrammatic, tabular ▪ How the accounting systems of an organisation are affected by its organisational structure ▪ Purpose and structure of reporting systems within an organisation ▪ Background understanding that a variety of outside agencies may require reports and returns ▪ Background understanding that recording and accounting practices may vary between organisations etc ▪ The basis of the relationship between the organisation and the VAT office

Overall the Expert Group remarked on the similarity of the content between the two qualifications. However, it was noted that Unit 7 of the AAT included work that was generally not covered in the A-level, and that the content of the A-level Module 6, with its emphasis on the workings of limited companies, was not covered to the same extent in this level of AAT. In addition, the GCE A-level had a broader scope with content covering social accounting. However, as previously noted, when considering the absence of social accounting and limited companies from the AAT qualification, both HE representatives stated that this was not an issue in terms of progression to HE, as both aspects were covered in the first year of a degree course.

At a crudely quantitative level, approximately half of the knowledge and understanding statements contained in the NVQ specification are not covered in the GCE A-level. It is clear that, given the non-match with Unit 6 and various other areas which are missing, somewhere in excess of a quarter of the GCE A-level content is not covered in the AAT. However, this comparison is invidious because of the very different ways that knowledge and understanding (crudely content) is specified in the two qualifications to meet different purposes.

In order to reach a decision about the relative sizes of the two qualifications based on their respective content the Expert Group asked for input from the two Higher Education representatives. Both felt that the qualifications were comparable in the sense that they had similar content, but Peter Andrew felt that the A-level was slightly broader in its treatment of content while the AAT went deeper in some areas. Tony Muff also pointed to the two additional units in the AAT: *Unit 21 Working with computers* and *Unit 22 Contribute to the maintenance of a healthy, safe and productive working environment*, and inquired how we should value them for the purposes of this exercise. Taking these additional units into account Tony Muff concluded that, on the basis of the discussion so far:

- There was about an 80% overlap between Units 5 and 7 of the AAT
- The main area of difference is the practical-based competence specified in Units 21 and 22.

However, the AAT representatives pointed out that Unit 7 also contained a significant amount of material that was not covered in the A-level. This was therefore discussed further.

It was clear from the respective specifications that GCE A-level candidates must be able to produce a report on accounts. Furthermore, the ratios that A-level candidates use are more extensive than those employed by AAT candidates, i.e. this is an area where GCE A-level candidates are expected to develop more knowledge than a corresponding AAT candidate. However, what the two types of candidate are expected to do with these ratios is basically the same. Both must know about ratios and apply them appropriately; they must analyse ratios, and then evaluate the significance of this analysis for the case in hand. The A-level specification also covers VAT but not to the same extent as the AAT. However, while accepting that in the AAT ratio analysis does not go to the same depth as

the A-level, there remains a long list of content areas in AAT Unit 7 that are not covered in the A-level (see Table 2). Thus, in terms of the amount of knowledge there is more in the AAT Unit 7 than in the GCE A-level.

On the other hand, there is much more knowledge about limited companies in the GCE A-level than AAT, particularly in Module 6. Thus the Expert Group was asked to consider the following question: “Would it be fair to say that the extra knowledge in AAT Unit 7 is offset by greater knowledge in the A-level of limited companies?” To answer this question the Expert Group compared the number of guided learning hours needed to cover the unique content in the AAT Unit 7 and A-level Module 6. The logic of their answer is set out below.

Module 6 forms one sixth of the A-level. Using the previous calculation of glh for the whole A-level suggests that 50 glh would be needed to cover this module. On the basis of the estimated overlap of content between this module and the AAT, the AQA Chair of Examiners, GCE Accounting estimated that 45 glh would be needed to cover the content that is unique to the GCE A-level Module 6.

To cover AAT Unit 7 would require, the AAT representatives on the Expert Group estimated, around 80 glh, i.e. about 30% of the time for the part-time programme of study for the AAT. This was justified on the basis of the demand of the knowledge and understanding required to complete this unit, and the need to analyse complex data sets. Given that some of the content is common to both qualifications, e.g. on ratios, and is covered to a greater depth in the A-level, the AAT representatives thought that the additional content in the NVQ would require a similar amount of time to cover as the unique content of A-level Module 6.

On the basis of this analysis, the Expert Group concluded that the three AAT Units 5, 6 and 7 were comparable in terms of volume of learning to the six A-level modules. But that still left the need to estimate the additional volume of learning, if any, of value for entry to Higher Education represented by Units 21 and 22 in the AAT. Making this estimate, it was agreed, would require additional mapping work. The Expert Group agreed to leave this to the Chair, who would report back to them via email in due course. The outcomes of this process are presented at the end of this report.

So, at this stage of the process the Expert Group had concluded that Units 5, 6 and 7 of the AAT were equivalent in terms of their volume of learning to the six A-level modules, and that any differences in content cancelled each other out. No consideration was given at this stage to Units 21 and 22 of the AAT NVQ. The content of these units is not covered in the GCE A-level and could be considered as a potential additional contribution to the volume of learning being undertaken by AAT candidates. On the basis of the discussion so far, the initial hypothesis that the size of the AAT Level 3 qualification, as judged by its glh relative to the GCE A-level, warranted an allocation of somewhere between 80 and 160 UCAS Tariff points was revised to somewhere between 120 and 160 UCAS Tariff points. However, the actual allocation of Tariff points also requires a comparison of the relative demand of the two qualifications. This involves

unpacking the assessment model for each qualification. It is to this that the report turns next.

4.5 Estimating relative demand – comparing assessment models

The assessment models for the two qualifications were set out in Sections 2 and 3 above. These differences are summarised here using the reports provided for the Expert Group by the AQA Chair of Examiners, GCE Accounting and the AAT Chief External Verifier.

Comparing the assessment objectives for both qualifications the following wording is similar: both will assess candidates' ability to demonstrate knowledge and understanding, identify, apply, analyse and interpret accounting information in different forms, evaluate information, and make reasoned and informed judgements. However, the AAT specification refers to application with reference to "work situations most of which are complex and non-routine"; the A-level specification refers to application with reference to "accounting problems". In addition, a major difference is that in the AAT a candidate is judged as being either competent or not yet competent (i.e. there is no measure of a degree of competence). By contrast, for an A-level candidate who passes the qualification a judgment about their degree of competence is made using Grades A–E.

This means that the AAT two-tier model of assessment ensures coverage of all performance criteria, range and knowledge and understanding, bringing together a combination of skills, knowledge and understanding that clearly relates theory to practice. As a consequence, the AAT qualification is favoured by employers because successful candidates are able to apply their knowledge in the workplace, and offer manual and computerised accounting, word processing and spreadsheet skills.

In the GCE A-level, AS assessments target chosen areas of the syllabus in any one examination while A2 assessments are synoptic. The candidate has little opportunity to apply knowledge to the work environment, particularly with regard to IT. The AAT judges candidates as competent or not competent on the evidence provided, with the opportunity to develop and provide further evidence based on feedback from the assessor; the A-level judges the extent of a candidate's achievement with the opportunity to resit assessment elements but without guidance which identifies areas for improvement.

The AAT units are assessed through the following methods:

- Unit 5 – exam and skills test
- Unit 6 – exam and skills test
- Unit 7 – skills test
- Unit 21 – skills test
- Unit 22 – skills test.

The AAT is unique among NVQs in that external examinations are part of the assessment strategy. **Exams** are set and marked by the AAT, and test the application of knowledge and understanding. Exam sittings take place in December and June.

Skills tests are set by the AAT and assessed by the centre using qualified assessors employed by the training provider. They evaluate the ability to perform practical activities across all of the performance criteria, range, and knowledge and understanding requirements of a unit. Skills tests take place throughout the year as part of the course. A small number of AAT training providers are allowed to set centre-devised simulations, and there is a rigorous quality assurance procedure that must be followed before such approval is granted.

Skills tests form the basis of the **Portfolio** – a folder of evidence that needs to be completed in order for the AAT candidate to demonstrate their competence against the standards being assessed. This evidence can be from the workplace, or simulated work-based exercises (skills tests). The Portfolio shows that tasks can be performed across a range of circumstances.

In terms of assessment load, the AAT Level 3 qualification requires five skills tests plus two external examinations (7.5 hours in total). This amounts to 29 hours of assessment for a direct entrant to Level 3 or 20 hours for a candidate progressing from Level 2, as there is no need to reassess Units 21 and 22 completed as part of the Level 2 qualification.

GCE A-level assessment consists of six units tested by examination only. The A-level is entirely externally assessed; there is no coursework element. Each assessment unit (six for a full A-level) is of equal weighting (6 hours and 75 minutes hours in total). A candidate's final result is based on the total score achieved across all six examinations, so individuals may compensate for poor performance in one unit with a much better performance in another unit.

In their discussion comparing the assessment objectives for the two awards, the Expert Group noted similarity in the following areas:

- Knowledge
- Understanding
- Application.

In addition, both awards look for evidence of:

- Analysis
- Evaluation.

However, it was noted that the requirement in these latter two areas was explicitly stated for the GCE A-level in the form of additional education objectives with specific assessment weightings, while the AAT NVQ refers to analysis and evaluation in the performance criteria for certain elements in some units.

Overall the group members agreed that the assessment objectives were sufficiently similar to make a sensible comparison.

Examination papers

The expert group spent some time reviewing examination papers for both awarding bodies. The AQA Chair of Examiners, GCE Accounting noted in the materials presented to the Expert Group:

There is a degree of similarity between AS unit assessments (papers Acc1–Acc4) and AAT external papers in terms of question types.

This view was supported by the comments of the Chief External Verifier for the AAT:

There is a similar mix of types of questions if comparing similar content coverage.

However, the AQA Chair of Examiners, GCE Accounting suggested that:

A-level papers have greater emphasis on questions requiring a prose response (about 33% of marks; in AAT the equivalent is about 15%). At A2 Level candidates are expected in certain tasks to provide more extensive answers than in AAT. A2 papers (Acc 5, 6 and 7) do not have answer booklets and so there is less support for candidates in terms of structure, tables, forms etc for responses. In other words there is less direction to A2 candidates than AAT candidates. Some A2 questions present a greater volume of data than AAT questions, which makes tasks more complex.

But, as the Chief External Verifier for the AAT pointed out:

The expert panel should note that recent examinations for Unit 6 (ECR) have been quite structured to allow for a more challenging paper following the appointment of a new Chief Assessor. The extra support in terms of pro forma was allowed for a transitional period only and will reduce over time.

It was agreed by the Expert Group that there were no significant differences in the way the awards were marked. There was some discussion around the focus of the examinations. For example, the GCE A-level specifically allocates 33% of the marks for prose response (including evaluation), while the AAT appeared to allocate 15%. The issue of evaluation skills appeared to vary across the awards, with greater emphasis in the assessment of A2 units, as per the assessment objectives set out in the GCE A-level specification. Further discussion suggested that wider issues such as communication and evaluation were covered in the devolved assessment for the AAT. At this stage the tentative conclusion reached was that there was similarity in demand between the two awards but that three issues needed to be investigated further:

1. The structure of the assessment instruments being used and the level of support being offered to candidates
2. The level of analysis and evaluation skills being requested and demonstrated by candidates
3. The quantity and quality of prose response in the examinations and skills tests.

To facilitate this investigation the Expert Group had access to the following assessment material and candidate evidence:

GCE A-level	AAT
<ol style="list-style-type: none"> 1. June 2005 examination papers and mark schemes 2. Chief Examiner's report 3. Candidate scripts <ol style="list-style-type: none"> 1. 2 Grade A scripts for Module 1 2. 3 Grade A scripts for Module 3 3. 4 Grade A scripts for Module 4 4. 3 Grade A scripts for Module 5 5. 4 Grade A scripts for Module 7 6. 4 Grade E scripts for Module 1 7. 4 Grade E scripts for Module 3 8. 4 Grade E scripts for Module 4 9. 4 Grade E scripts for Module 5 10. 4 Grade E scripts for Module 7 	<ol style="list-style-type: none"> 1. June 2005 examination for Unit 5: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 2. June 2005 examination for Unit 6: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 3. December 2005 Examination for Unit 5: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 4. December Examination for Unit 6 <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 5. Simulation materials for Unit 5 <ul style="list-style-type: none"> ▪ Specimen simulation ▪ 2 candidate scripts 6. Simulation materials for Unit 6 <ul style="list-style-type: none"> ▪ Specimen simulation ▪ 2 candidate scripts

The structure of the assessments and the level of support being offered to candidates

Comparing first the AS examinations (Modules 1, 3 and 4) with the AAT Unit 5 examination and simulation material, it was agreed that similar levels of support were being offered to candidates in both sets of assessment materials. However, in the A2 material less support is given to candidates. For example, in A2 Unit 7 question 1 candidates are asked to calculate sales price variance and state the formula used, i.e. candidates are not given the formula but are expected to recall it, and they are required to devise their own methods of setting out calculations. By contrast more support is provided in the AAT examination papers and simulation materials in the form of grids of data to be completed. In part this can be explained by the number of international centres offering the AAT qualification, so that the use of plain English is high on the AAT agenda when writing papers.

The level of analysis and evaluation skills being requested and demonstrated by candidates

There is some evidence of higher levels of evaluation and analysis skills being asked for from the A-level candidates. For example, question 4 in the AS paper for Module 4 requires an evaluation to be made with marks allocated specifically to the demonstration of achievement in this assessment objective. GCE A-level candidates typically also have to explain why things are going on, not just prepare a cash flow statement.

The quantity and quality of prose response in the examinations and skills tests

More prose response situations are provided in the A-level assessment material; however some of these require a lower level of understanding than equivalent tasks in the AAT assessments. Longer prose responses are required in the AAT, for example in Tasks 2.1 and 2.6 in the examination for Unit 5.

These differences were epitomised in one A2 question (question 3, Module 6) where the candidates were presented with lots of data about a company. They then had to calculate a long list of ratios, recalling the formulae from memory and applying them to the data. They then had to assess the performance of the company under three key headings, followed by a section of questions asking them to give advice, and requiring them to make an evaluation through the construction of a reasonably long prose answer.

Attention was then focused on the skills test component of the AAT assessment model by examining the Unit 5 skills test number 1964. This is a compulsory assessment completed under controlled conditions and takes the form of a reasonably complex simulation. Candidates are given 4.5 hours to complete this assessment. The AAT representatives suggested that tasks 3, 4, 5, 7 and 13 in this simulation required prose responses couched in terms of sending something to someone – a report or a letter – as opposed to an essay. The HE representatives felt that task 4 required only a limited amount of prose to be constructed, but agreed that tasks 5 and 7 required longer prose answers. However, the view remained that on this AAT assessment the amount of prose required is quite limited in relation to the extensive computational work.

To conclude, the Expert Group identified a number of similarities between the assessment materials and the candidates' work in the two qualifications. Areas of difference included greater student support within the AAT and more prose based answers in the A-level.

4.6 Estimating relative demand – comparison of candidate scripts

Examination questions were compared for specific units in each award. When the A-level (AS) Unit 1 was compared with the AAT NVQ Unit 5, the Expert Group felt that there were many similarities in the questions. The AAT paper appeared to be more challenging, looking for both complete and incomplete records, and preparation of trial balances. The A-level had a mix of different challenges. In terms of candidate performance in these units, it was clear that the AAT candidates judged competent were good at computations, whereas the A Grade A-level candidate responded well to questions in terms of both computation and prose-based answers. However, overall the

conclusion was that the AAT paper was bigger and more challenging, requiring candidates to complete more sophisticated tasks compared to the AS paper.

The group then compared the A-level A2 Module 5 examination with the AAT NVQ Unit 5 examination. Here the A-level paper appeared very challenging with requirements for good computation skills, although the written skills demonstrated in the candidate material examined were less good. The AAT paper was felt to be more challenging due to the need to cover all of the NVQ unit requirements.

The AAT Unit 5 answer book was then compared with an A Grade Module 7 script. It was agreed that there was more computation in the AAT script and perhaps fractionally more writing in the A-level paper.

The issue identified as being crucial in comparing these scripts was the allocation of marks to different assessment objectives. There was no question about the rigour of the AAT assessment, but it was suggested that compared to the GCE A-level examination it was not so clear which skills were being assessed. To examine this issue, the examination paper and skills test for AAT Unit 5 were discussed in more detail. The following distinction was made by the AAT representatives: the skills test is making an assessment of the capability of the person to do something accurately and correctly whereas the exam is assessing the underpinning knowledge. The exam is the final quality control measure but a candidate has to achieve the required number of marks in both the examination and the skills test to pass the unit.

This comment focused the Expert Group's attention on the nature of the relationship between the marks recorded on the final page of the AAT examination script by the marker, and the judgement being made as to whether an AAT candidate was competent or not yet competent.

The 'Information for Assessors' booklet shows on page 55 that the assessment criteria for the AAT are articulated in quite a different way from GCE A-level. The AAT mark scheme identifies where errors are allowed, and how many errors are allowed, rather than allocating marks to specific assessment objectives. This difference makes the detailed comparison of the allocation of marks to specific skills in order to compare the relative demand of the two qualifications almost impossible.

By this stage the Expert Group had reached the conclusion that while both awards have rigorous assessment methods, these are different from each other because the qualifications are intended to meet different purposes. Nonetheless, there was a need to make some assessment of the respective level of demand of the two qualifications in terms of what is required to pass the AAT compared to the level of performance required to achieve a particular GCE A-level grade. To achieve this, a return to first principles was recommended. On the one hand, assessment within the GCE A-level needs to distribute candidates across a vertical scale of grades A–E and U (unclassified) on the basis of an assessment of four clearly identified assessment objectives. Grade descriptors are used to guide the assessment. Within the GCE A-level, the weighting differs in the AS and A2

components across the four assessment objectives. What is expected of AS and A2 candidates in order to achieve particular grades is therefore different, which is apparent when looking at scripts. In particular, the weighting on evaluation and analysis increases from AS to A2.

On the other hand, the AAT is assessing competence across a range of contexts. Competence here is a horizontal construct, the same level of competence across a range of contexts, while A-level assessment is based on the vertical assessment of attainment in four educational skill areas. Given this, the Expert Group returned once again to focus upon candidate scripts to see if it was possible to align a Pass in the AAT to the A–E grades in A-level.

This time a detailed examination was made of two AAT candidates, one who passed the Skills Test (D1694) and one the examination paper for Unit 5, and an A-level Unit 1 script assessed at the boundary of Grade A. The picture that emerged was complex. First some of the questions on the AS paper were deemed more typical of the questions asked in the AAT Level 2 assessment. This is unsurprising given the overlap between the AAT Level 2 and the AS content noted earlier. Second, in some ways the AAT materials are more sophisticated and challenging. For example, candidates have to deal with incomplete records and they have to test all calculations through a trial balance. However, this statement is not invariably true: the AS paper contains a mixture of simple and more complex questions. For example, question 5 requires the candidate to calculate VAT in the most complicated way. Third, there is a difference in the length of time – the AAT paper is longer with more tasks; the AS paper is shorter with speed in completing questions being at a premium.

The AQA Chair of Examiners, GCE Accounting argued that the Grade A GCE A-level candidate was responding well to just about every question and was writing confidently. Good computational skills were being demonstrated, for example through the difficult VAT calculation and calculations around the creation of a suspense account. Thus the candidate was demonstrating a range of skills and good understanding. The AAT representatives agreed with this assessment but pointed out once again the match of the AS questions to the AAT examination at Level 2.

The chair summarised as follows. Both candidates were extremely good at computation but the AS candidate was scoring fewer marks on the prose elements, i.e. s/he had mastered the technical aspects of the content but was less secure in explaining. It was agreed that on balance the AAT paper was more sophisticated in what it was asking than the AS Unit 1 paper. On the basis of this examination of the evidence the HE representatives agreed that the overall level of sophistication was higher in AAT assessment. This would suggest that in being assessed as competent, an AAT candidate was achieving a level of performance higher than an A grade at AS.

The Expert Group then moved on to examine an A grade candidate script from Module 5, an A2 Unit, with the same candidate evidence from the AAT. This time the AQA Chair of Examiners, GCE Accounting argued that the A-level examination paper had more

complex tasks than the AAT assessment material. For example, question 2 required candidates to demonstrate that they could deal with a situation which they could not possibly have met before. Furthermore, the candidates had a huge amount to do in a short time, 1 hour 15 minutes. This would produce considerable pressure on the candidate so that the examination presented a very challenging test. To achieve a grade A, high levels of computational skill were required, combined with good quality writing and a direct assessment of evaluation skills was being made. The A grade candidate was demonstrating a very high level of skill and a high level of attainment.

The following responses were made to this assessment:

- Tony Muff (HE representative) agreed with the assessment that this was a very hard test: candidates were indeed being asked to do a lot of different tasks in a short time period. However, his judgement of the work of the A grade A-level candidate was that while they had demonstrated good computational skills their written skills were not so good.
- Peter Andrew (HE representative) agreed with the point about pressure; there was an awful lot to do in 1 hour 15 minutes.
- Carol Harris (AAT Chief External Verifier) pointed out that both part A and B questions on the A-level paper would be asked at Level 2 in AAT. The competent AAT candidate was required to explain why issues were important, the same requirement to achieve an A grade on this A2 paper.
- Peter Andrew pointed out that this was a synoptic A-level paper. Thus, while the questions may have been at Level 2 in the AAT, the A-level candidate might not be expecting questions on this topic and may not have studied it for a year.
- Carol Harris argued, however, that the AAT paper was more challenging than A-level Unit 5 assessment because the AAT candidate, taking the demand of the skills test and the examination paper together, had to demonstrate their attainment across a broader range of skills and understanding with less opportunity for compensation. Furthermore, the AAT exam was also synoptic, for example in the Section 1 task on incomplete records.
- David Austen (AQA Chair of Examiners, GCE Accounting) replied that although not assessed against all topics in any one examination paper, A-level candidates have to be ready for everything. Furthermore, he argued that the thinking skills required of the A-level candidate in this paper are greater than in the comparison AAT assessments, and that while different skills were being assessed in the two examinations, he thought that higher level skills were being assessed overall in the A2 paper.
- Tony Muff suggested that the A-level is testing primarily examination technique while the AAT was testing using a range of different formats; consequently the

AAT candidate had undertaken a variety of assessment techniques where the A-level candidate had not. The consequence is that the A-level candidate, over the two years, was being taught to respond in only one mode.

- Peter Andrew suggested that the AAT examinations might prepare candidates for accredited HE degree programmes better. Furthermore, he thought that the Unit 5 examination papers across the two qualifications were comparable overall. Thus, the AAT assessment was aligning with the A2 component of the A-level. However, there is a greater demand to demonstrate higher level skills in A2 papers, such as evaluation. Thus it may be more challenging in the A2 to gain an A grade compared to being judged competent in the AAT. He pointed out that analysis in an A-level consists of selecting appropriate data and commenting upon data in a logical way. Evaluation consists of weighing up and making a judgement. It was not clear, he suggested, what ‘evaluate’ meant in the context of the AAT. He challenged the Expert Group to find this level of demand in the AAT papers.

Attention was thus focused back on to the AAT Unit 5 examination, in particular tasks 1.8 and 2.6 where the candidate was being asked to produce longer prose answers associated with assessing evaluation skills in the A-level examination. Task 1.8 required the candidate to compose an email to a fictitious client explaining the difference between different types of lease, why it is important for the client to know about these differences, and asking her to confirm which type of lease she has taken out. Task 2.6 required the candidate to draft a note to the owners of a partnership explaining why it is important to reconcile regularly stock records with the physical stock. Doubt was expressed whether in either case the candidate in their response was required to make, or indeed made, a reasoned judgement in the sense that this term is used to provide an underpinning criterion for the A-level definition of evaluation.

However, evaluation skills only form one component of the assessment being made of an A-level candidate (15% overall) and it is possible for a candidate to achieve a Grade A at A-level without having demonstrated a high level of competence in this skill. Furthermore, both HE representatives argued that while it would be desirable for applicants to have developed these sorts of skills, they would not judge it to be essential in order to support progression into Higher Education.

Attention was then drawn to the possibility of making a more holistic judgement of the relative demand of the two qualifications by focusing on a comparison that one HE representative had made of the outcomes of the two awards based on an examination of the grading terminology:

A-level	AAT NVQ
Grade E: demonstration of knowledge and understanding of a limited range of accounting procedures	Application of accounting knowledge in a broad range of work activities
Grade A: demonstration of in-depth knowledge and understanding of a wide range of accounting procedures	Application of accounting knowledge in a broad range of work activities

Grade A: candidates will make reasoned judgements to present appropriate and supported conclusions and recommendations	Responsibility and autonomy... control or guidance of others is often required
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Discussion of this comparison led the Expert Group to agree that while the AAT and A-level examinations were assessing candidates in different ways and for different purposes, in terms of the overall qualities being developed through the learning process in both awards a person judged competent in the AAT would be similar to one achieving a Grade A in A-level. For example, the A grade GCE A-level candidates is asked to provide evidence of knowledge and understanding of a wide range of accounting procedures while the AA candidate is asked to apply accounting knowledge in a broad range of work activities in order to be judged competent. Both were being asked to work more autonomously and to take responsibility.

Bearing in mind that achieving a Grade A in A-level is an amalgam of performance in AS and A2 units, and given that the AAT candidates judged competent were thought to be performing at a level higher than Grade A candidates at AS but perhaps not at A2, the Chair proposed that on the basis of the evidence reviewed over the course of the day a Pass in the three AAT units 5, 6 and 7 could be considered analogous to a pass at grade A at A-level. This was unanimously agreed by the Expert Group.

However, there was still a need to determine the size and level of demand of the additional two units in the AAT (Units 21 and 22) and their utility for supporting progression to Higher Education. This work was undertaken after this meeting of the Expert Group but it is reported on next to maintain the flow of the narrative.

Units 21 and 22

Following the meeting, a detailed mapping exercise took place and the conclusions from this were circulated to the Expert Group members for discussion. The findings were as follows.

Unit 21 Working with computers was mapped against the key skills specification for ICT. This mapping indicated that the work required in the AAT unit is more specific and in some ways goes beyond the requirements for the key skill qualification. For example, maintaining the security of the data, as well as using computer systems and software, is included in the AAT unit. However, there is not the same emphasis in the AAT unit on exchanging and presenting information as in the Level 3 key skill qualification. Rather, the focus in the AAT Unit 21 is much more on basic issues of turning computers on and off safely, saving and printing files, knowing passwords and so on. Thus, while the same AAT unit is used in both the Level 2 and Level 3 qualifications, the mapping exercise suggested that the NVQ Unit 21 was more akin to the Level 2 key skill in its demand. This would suggest the allocation of a further 10 UCAS Tariff points to AAT Unit 21.

Unit 22 Contribute to the maintenance of a healthy, safe and productive working environment covers some of the material which was described as ‘work process knowledge’ in the Expert Group meeting for the advanced apprenticeship frameworks in engineering and e-skills. As part of the engineering framework, this component of the NVQ was allocated 40 UCAS Tariff points. While the AAT is not itself a framework, though this NVQ can form part of an advanced apprenticeship framework, it might seem reasonable to allocate a similar number of UCAS Tariff points to this component of the AAT qualification. However, in both the engineering and the e-skills frameworks the comparable units – *Develop personal and organisational effectiveness (e-skills)* and *Working efficiently and effectively in engineering* – are clearly labelled as Level 3 units. This does not seem to be the case with Unit 22 in the AAT NVQ. Indeed the 'content' of Unit 22 is identical for both Levels 2 and 3. This raises the question of whether or not to allocate UCAS Tariff points to this unit as it does not seem to be a Level 3 unit.

Given that Unit 21 was more akin in demand to the Level 2 key skill, this suggested that the same might apply here. However, when Unit 22 was mapped against the Level 3 Electrical and Electronic Engineering Unit 3, *Working efficiently and effectively in engineering*, the health and safety aspects contained within the engineering specification are fully covered in element 1 of AAT Unit 22. There would appear, therefore, to be no major difference between the two NVQ unit specifications although the engineering award does have a separate health and safety unit.

It was recommended, therefore, that additional UCAS Tariff points should be awarded to this AAT Unit 22. However, since the unit is smaller than the two units in the engineering award considered to cover 'work process knowledge', it was suggested that the allocation should be smaller than the 40 UCAS Tariff points allocated to the engineering NVQ as part of the apprenticeship framework. The allocation of an additional 30 UCAS Tariff points to Unit 22 in the AAT was, therefore, recommended to the Expert Group members.

These recommendations, with the supporting arguments, were circulated to all members of the Expert Group by email and agreed unanimously.

4.7 Recommendations for awarding UCAS Tariff points

Drawing together all the findings, the Expert Group came to the following conclusions: Units 5, 6 and 7 in the AAT NVQ in Accounting at Level 3 were comparable to the A-level at Grade A, which leads to a recommended 120 UCAS Tariff points.

Unit 21 Working with computers should attract a further 10 UCAS Tariff points and *Unit 22 Contributing to the maintenance of a healthy, safe and productive working environment* an additional 30 UCAS Tariff points.

The Expert Group therefore recommends the allocation of Tariff points set out below:

AAT NVQ Level 3	UCAS Tariff Points
Units 5, 6 & 7	120
Unit 21	10
Unit 22	30
Total	160

At the end of the Expert Group meeting, both HE representatives agreed that it had been a rigorous process. In addition they found the overall allocation of UCAS Tariff points to this award sensible in promoting progression to Higher Education. If taken on its own and achieved, the AAT would attract sufficient UCAS Tariff points to support progression to a Foundation Degree, which was thought to be appropriate. However, the HE admissions tutors pointed to differences in their admission policies to Honours Degrees in accounting in their institution. One confirmed that they were unlikely to accept an AAT NVQ Level 3 candidate directly onto an honours degree programme as they would typically be expecting an applicant to have 240 or more UCAS Tariff points. However, an applicant with the AAT combined with other qualifications would be welcomed for admission to an honours degree in this institution provided that they achieved this level of points. The other HE admissions tutor reported that in the past they had accepted candidates with just the AAT NVQ Level 3 directly onto a BA degree in his institution, though other qualifications would be useful.

Appendix 1

THE FACILITATOR'S MAPPING OF THE GCE A-LEVEL AND AAT LEVEL 3

Mapping of AAT NVQ at Level 3 and AQA A-level in Accounting
Part One – Overview

	A-level	AAT NVQ
Aims	<p>This specification aims to develop:</p> <p>a. knowledge and understanding of the purposes of accounting, its concepts and techniques and their development as well as an appreciation of the limitations of accounting</p> <p>b. an appreciation of the effects of economic, legal and technological change on accounting, and of the social implications of accounting decisions</p> <p>c. the skills of communication, numeracy, presentation, analysis, interpretation, application and evaluation of accounting information.</p>	<p>The Standards have been developed as 'generic' competences to ensure that they apply to a wide range of different types of jobs in a variety of organisations. For example, staff working in such areas as payroll, costing and recording credit transactions will move easily between different industries and different employers.</p> <p>The Standards are also designed to help progression within the profession and for those coming from outside it by progression of knowledge and understanding, which will help in the planning of suitable and coherent training programmes. These Standards are intended to provide the possibility of coherent, structured, career development through Levels 2, 3 and 4 and beyond them to Level 5.</p>
Entry requirements	No entry requirements specified	No entry requirements specified
Content	<p>AS:</p> <p>A total of 3 units:</p> <p>Unit 1: The accounting information system</p> <p>OR</p> <p>Unit 2: Introduction to published accounts</p> <p>Unit 3: Financial accounting</p> <p>Unit 4: Introduction to management accounting</p> <p>A2:</p> <p>A total of 6 units:</p> <p>Unit 1: The accounting information system</p> <p>OR</p>	<p>A total of 5 (compulsory) units:</p> <p>Unit 5: Maintaining financial records and preparing accounts</p> <p>Unit 6: Recording and evaluating costs and revenue</p> <p>Unit 7: Preparing reports and returns</p> <p>Unit 21: Working with computers</p> <p>Unit 22: Contribute to the maintenance of a healthy, safe and productive working environment</p>

	<p>Unit 2: Introduction to published accounts</p> <p>Unit 3: Financial accounting</p> <p>Unit 4: Introduction to management accounting</p> <p>Unit 5: Further aspects of financial accounting (synoptic unit)</p> <p>Unit 6: Published accounts of limited companies (synoptic unit)</p> <p>Unit 7: Further aspects of management accounting (synoptic unit)</p> <p>Note: Candidates doing the full A-level are recommended to select Unit 1.</p>	
Assessment strategy	Examinations for all units	<p>Skills tests for all units plus examinations for Units 5 and 6. A skills test in AAT is also referred to as a simulation; this is a written paper with a case study. Students are required to study the case and answer the questions. These are provided by AAT or can be centre-devised for Units 5, 6 and 7. For Units 21 and 22, the centre is expected to devise the skills test, which is likely to include work-based evidence.</p>
Assessment objectives	<p>The assessment objectives are common to both AS and A2 Level. The schemes of assessment will assess candidates' ability to:</p> <p>a. demonstrate knowledge and understanding of the accounting information system, accounting procedures, techniques and concepts; the role and limitations of accounting in decision-making (AO1)</p> <p>b. select and apply their knowledge and understanding of accounting procedures, techniques and concepts to a variety of accounting problems (AO2)</p> <p>c. analyse and interpret accounting information in different forms (for example, accounting statements, reports, tables, graphs and charts)</p>	<p>Standards for assessment (NVQ) set out in five compulsory units, subdivided into elements, supported by range statements and specified knowledge requirements.</p> <p>The schemes of assessment will assess candidates' ability to:</p> <p>a. demonstrate knowledge and understanding of the business environment, accounting techniques, accounting principles and theory, the organisation</p> <p>b. apply their knowledge and understanding to a broad range of varied work activities, performed in a wide variety of contexts, most of which are complex and non-routine. There is considerable responsibility and autonomy, and control or</p>

	<p>(AO3) d. evaluate accounting information and make an assessment of alternative courses of action in the form of reasoned judgements, recommendations and decisions, taking into consideration economic, legal, technological and social factors (AO4).</p>	<p>guidance of others is often required c. meet all the requirements for each element as stated in the performance criteria.</p>
Assessment	<p>Unit 1: A one-hour written exam of between 3 and 7 compulsory structured questions of varying lengths (80 marks) OR Unit 2: A one-hour written exam of between 3 and 7 compulsory structured questions of varying lengths (80 marks)</p> <p>Unit 3: A one-hour written exam of between 3 and 7 compulsory structured questions of varying lengths (80 marks)</p> <p>Unit 4: A one hour written exam of between 3 and 7 compulsory structured questions of varying lengths (80 marks)</p> <p>Unit 5: A one-and-a-quarter hour exam of between 3 and 7 compulsory structured questions of varying lengths. The last question will be a longer question containing the synoptic assessment (105 marks)</p> <p>Unit 6: A one-and-a-quarter hour exam of between 3 and 7 compulsory structured questions of varying lengths. The last question will be a longer question containing the synoptic assessment (105 marks)</p> <p>Unit 7: A one-and-a-quarter hour exam of between 3 and 7 compulsory structured questions of varying</p>	<p>Unit 5: A three-hour written exam in 2 parts, each part comprising a case study for completion to assess knowledge and understanding. Plus a four-hour skills test to assess application. The specimen answers are mapped against the performance criteria and knowledge requirements. Unit 6: A three-hour written exam in 2 parts, each part comprising a case study for completion to assess knowledge and understanding. Plus a four-hour skills test to assess application. The specimen answers are mapped against the performance criteria and knowledge requirements.</p> <p>Unit 7: A four-hour skills test to assess knowledge, understanding and application. The specimen answers are mapped against the performance criteria and knowledge requirements.</p> <p>Unit 21: Skills test to assess knowledge, understanding and application in line with the unit requirements</p> <p>Unit 22: Skills test to assess knowledge, understanding and application in line with the unit requirements</p>

	lengths. The last question will be a longer question containing the synoptic assessment (105 marks)	
Marking scheme and grading	<p>Each of the 6 (of 7) units comprise 16.7% of the total marks for the A2 level.</p> <p>For AS level, each of the 3 (of 4) units comprise 33.3% of the total marks.</p> <p>A maximum of 80 marks are awarded for Units 1 to 4 and 105 marks for Units 5 to 7.</p> <p>The relative percentage weighting of the assessment objectives and the overall scheme of assessment is indicated on page 15 of the syllabus. This includes knowledge and understanding, application, analysis and evaluation.</p>	Candidates are deemed to be either competent or not yet competent. Marked papers indicate that marks are allocated for test papers and examinations, but the mark scheme has not been provided
Grading	<p>A, B, C, D and E. Candidates who fail to reach the minimum standard for grade E will be recorded as U (unclassified) and will not receive a qualification certificate.</p> <p>Individual assessment unit results will be certificated.</p> <p>Grade descriptors are given on page 38 of the specification.</p>	Competent or not yet competent

Mapping of Specification Content between the AAT NVQ Level 3 in Accounting and the AQA A-level – A Working Document

This mapping document has not been produced by an Accounting expert and is intended only as an indication of how the content of the AAT NVQ in Accounting at Level 3 seems to map to the AQA AS/A2 level in Accounting. Please do make changes and amendments as you think appropriate.

Note: It is recommended that candidates who do the full A-level select Unit 1 as their option, so this is the unit used in this mapping.

AQA AS/A Level	NVQ Level 3	Comments
<p>Unit 1: The Accounting Information System (AS and A2)</p> <ul style="list-style-type: none"> • Accounting Records: Subsidiary Books and Ledger Accounts • Recording VAT • Verification of Accounting Records • Trading and Profit & Loss Accounts, and Balance Sheets • Use of Computers in Accounting 	<p>Unit 5: Maintaining financial records and preparing accounts</p> <p>Element 5.1: Maintaining records relating to capital acquisition and disposal</p> <p>Element 5.2: Collecting and collating information for the preparation of final accounts</p> <p>Element 5.3: Preparing the final accounts of sole traders and partnerships</p> <p>Unit 7: Preparing reports and returns</p> <p>Element 7.1: Prepare and present periodic performance reports</p> <p>Element 7.3: Prepare VAT returns</p> <p>Unit 21: Working with computers</p> <p>Element 21.1: Use computer systems and software</p> <p>Element 21.2: Maintain the security of data</p>	<p>Accounting records covered across all indicated units.</p> <p>Recording VAT in Element 7.3</p> <p>Verification covered across the NVQ units and in Element 7.1.</p> <p>Trading, P&L and Balance Sheets covered in Element 5.3.</p> <p>Use of computers covered in Unit 21.</p>
<p>Unit 2: Introduction to Published Accounts (AS)</p> <ul style="list-style-type: none"> • Trial Balances • Trading, Profit & Loss, and Profit & Loss Appropriation Accounts, and Balance Sheets • Published Reports and Accounts of Limited Companies • Corporate Report Requirements of Different User Groups • Use of Computers in Accounting 	<p>Unit 21: Working with computers</p> <p>Element 21.1: Use computer systems and software</p> <p>Element 21.2: Maintain the security of data</p>	<p>No clear map to NVQ other than use of computers</p>

<p>Unit 3: Financial Accounting (AS and A2)</p> <ul style="list-style-type: none"> • Accounting Principles, Concepts and Conventions • Final Accounts and Balance Sheets, Capital and Revenue Income and Expenditure, Depreciation, Disposal of Fixed Assets • Stock Valuation • Final Accounts and Balance Sheets of Manufacturing Organisations • Limited Liability, Capital Structure of Limited Companies • Internal Final Accounts, Balance Sheets of Limited Companies 	<p>Unit 5: Maintaining financial records and preparing accounts</p> <p>Knowledge and understanding under Accounting Principles and Theory, and Accounting Techniques</p> <p>Element 5.1: Maintaining records relating to capital acquisition and disposal</p> <p>Element 5.2: Collecting and collating information for the preparation of final accounts</p> <p>Unit 6: Recording and evaluating costs and revenue</p> <p>Unit knowledge and understanding</p> <p>Element 6.1: Record and analyse information relating to direct costs and revenues</p> <p>Element 6.2: Record and analyse information relating to the allocation, apportionment and absorption of overhead costs</p> <p>Element 6.3: Prepare and evaluate estimates of costs and revenues</p>	<p>There is generally a sound map here, except:</p> <ul style="list-style-type: none"> – While manufacturing organisations are not mentioned as such in the NVQ, this is implied in the range statements and knowledge requirements for Unit 6 – There is no specific reference in the NVQ to limited companies
<p>Unit 4: Introduction to management accounting (AS and A2)</p> <ul style="list-style-type: none"> • Ratio Analysis and the Assessment of Business Performance • Types of Costs, Marginal Costing, Contribution • Break-even Analysis • Budgeting and Budgetary Control • Factors Affecting Decision-making, Social Accounting 	<p>Unit 6: Recording and evaluating costs and revenue</p> <p>Knowledge and understanding under Accounting Techniques, Accounting Principles and Theory, The Organisation.</p> <p>Element 6.1: Record and analyse information relating to direct costs and revenues</p> <p>Element 6.2: Record and analyse information relating to the allocation, apportionment and absorption of overhead costs</p> <p>Element 6.3: Prepare and evaluate estimates of costs and revenues</p>	<p>There is a good match here except:</p> <ul style="list-style-type: none"> – social accounting
<p>Unit 5: Further aspects of financial accounting (A2)</p> <ul style="list-style-type: none"> • Incomplete Records • Non-Profit-making Organisations • Partnership Accounts 	<p>Unit 5: Maintaining financial records and preparing accounts</p> <p>Element 5.1: Maintaining records relating to capital acquisition and disposal</p>	<p>There is a good match here except:</p> <ul style="list-style-type: none"> – non-profit-making organisations – sources of finance

<ul style="list-style-type: none"> • Valuation of Assets • Types of Business Organisation, Sources of Finance 	<p>Element 5.2: Collecting and collating information for the preparation of final accounts</p> <p>Element 5.3: Preparing the final accounts of sole traders and partnerships</p>	
<p>Unit 6: Published accounts of limited companies (A2)</p> <ul style="list-style-type: none"> • Published Accounts and Requirements of User Groups • Rights Issues, Bonus Issues • Published Accounts and Ratio Analysis • Accounting Standards 		There is no clear map of this A-level unit to the NVQ
<p>Unit 7: Further aspects of management accounting (A2)</p> <ul style="list-style-type: none"> • Absorption Costing, Marginal Costing and Decision-making • Standard Costing and Variance Analysis • Capital Investment Appraisal • Other Factors Affecting Decision-making, Social Accounting 	<p>Unit 6: Recording and evaluating costs and revenue</p> <p>Knowledge and understanding under Accounting Techniques, Accounting Principles and Theory, The Organisation.</p> <p>Element 6.1: Record and analyse information relating to direct costs and revenues</p> <p>Element 6.2: Record and analyse information relating to the allocation, apportionment and absorption of overhead costs</p> <p>Element 6.3: Prepare and evaluate estimates of costs and revenues</p>	There is a good map here except: – social accounting
	<p>Unit 21: Working with computers</p> <p>Element 21.1: Use computer systems and software</p> <p>Element 21.2: Maintain the security of data</p>	In the A-level, this unit is not specifically assessed, but is included as a common feature in all units and specifically mentioned in Unit 1
	<p>Unit 22: Contribute to the maintenance of a healthy, safe and productive working environment</p> <p>Element 22.1: Monitor and maintain a safe, healthy and secure working environment</p> <p>Element 22.2: Monitor and maintain an effective and efficient working environment</p>	This NVQ unit is not covered in the A-level syllabus

Appendix 2

DAVID AUSTEN'S COMPARISON OF THE CONTENT OF THE TWO AWARDS

A-level to AAT

A-LEVEL	AAT INTERMEDIATE	
	COVERED	NOT COVERED
Module 1 (Option Module 2 ignored)	<p><i>Double-entry aspects covered in AAT Level 2 (sometimes in more detail)</i></p> <p>Basic final accounts (5.3)</p> <p>Correction of errors (5.2)</p>	Computers in accounting
Module 3	<p>Accounting principles, concepts and conventions</p> <p>Final accounts and balance sheets including adjustments, depreciation, revenue and capital expenditure etc (5.1; 5.2; 5.3)</p> <p>Stock valuation (5.2)</p>	<p>Final accounts and balance sheets of manufacturing organisations</p> <p>Limited liability companies – structure, internal final accounts and balance sheets</p>
Module 4	<p>Ratio analysis and the assessment of business performance in part (7.1)</p> <p>Types of cost, marginal costing, contribution</p> <p>Break even analysis</p>	<p>Some ratios (relating to liquidity and some aspects of profitability)</p> <p>Budgeting and budgetary control</p> <p>Factors affecting decision making – social accounting</p>
Module 5	<p>Incomplete records (some aspects – incomplete accounts)</p> <p>Partnership accounts (most aspects)</p> <p>Valuation of assets (most aspects)</p>	<p>Incomplete records as a whole topic</p> <p>Non-profit making organisations</p> <p>Partnership accounts (admission and dissolutions)</p> <p>Types of business organisation and sources of finance</p>
Module 6	Accounting standards (some aspects)	<p>Published accounts and requirements of user groups</p> <p>Rights issues, bonus issues</p> <p>Published accounts and ratio analysis</p>

		Accounting standards (some aspects)
Module 7	Absorption costing, marginal costing and decision making Capital investment appraisal (payback)	Standard costing and variance analysis Other factors affecting decision making, social accounting

**AAT INTERMEDIATE to
A-LEVEL**

AAT INTERMEDIATE	A-LEVEL	
	COVERED	NOT COVERED
Unit 5 Maintaining financial records and preparing accounts	Methods of depreciation Accounting for disposals Transfer journal Methods of funding; part exchange Accruals and prepayments Analysing income and expenditure Closing revenue accounts Restructuring accounts from incomplete evidence Identify and correct different errors Adjust provisions Final accounts sole traders and partnerships Basic accounting concepts Objectives and constraints Principles of double entry Capital and revenue expenditure Income accounts; expenditure accounts Trial balance Profit and loss account and balance sheets for sole traders and partnerships Principles of stock valuation Objectives of making provisions for depreciation etc	Plant registers Extended trial balance Ledger reconciliations
Unit 6 Recording and evaluating costs and revenues	Records of costs and revenue data in accounting records Methods of stock control; FIFO etc Procedures and documentation relating to expenses Bases of allocating and apportioning indirect costs Marginal v. absorption costing Arbitrary nature of overhead apportionments Bases of absorption Calculation of product and service costs Analysis of the effect of changing activity on unit costs Methods of presenting information in	Methods of calculating payments for labour Cost-volume-profit analysis Capital appraisal (IRR) Relationship between materials costing and stock control Relationship between labour costing and payroll Costing systems (batch, etc.)

	<p>written reports (most aspects)</p> <p>Identification of fixed costs</p> <p>Identification of limiting factors</p> <p>Methods of project appraisal (NPV)</p> <p>Relationship between accounting system and expenses costing system</p>	
<p>Unit 7</p> <p>Preparing reports and returns</p>	<p>Ratios: gross profit margin; net profit margin; return on capital employed</p> <p>Methods of presenting information: reports</p>	<p>Main sources of relevant government information</p> <p>Relevant performance and quality measures</p> <p>Main types of organisation requiring reports and returns</p> <p>Basic law and practice relating to all issues covered in range statement</p> <p>Customs and Excise Guide</p> <p>Administration of VAT</p> <p>Special schemes (for VAT)</p> <p>Standard units of inputs and outputs</p> <p>Use of index numbers</p> <p>Main types of performance indicators</p> <p>Tabulation of accounting and other quantitative information using spreadsheets</p> <p>Methods of presenting information: diagrammatic, tabular</p> <p>How the accounting systems of an organisation are affected by its organisational structure</p> <p>Purpose and structure of reporting systems within an organisation</p> <p>Background understanding that a variety of outside agencies may require reports and returns</p> <p>Background understanding that recording and accounting practices may vary between organisations etc</p> <p>The basis of the relationship between the organisation and the VAT office</p>
<p>Unit 21 Working with computers</p>		<p>Unit not covered</p>
<p>Unit 22 Contribute to a healthy, safe and productive working environment</p>		<p>Unit not covered</p>

Appendix 3

CURRICULA VITAE OF MEMBERS OF THE EXPERT GROUP

Dr Peter Andrew	Senior Lecturer, Accounting and Law, University of Portsmouth
David Austen	Chair of Examiners, GCE Accounting (AQA)
Dr Pauline Dixey	AAT Systems Verifier
Dr Tony Muff	Field Chair for Accounting and Finance, University of Northampton

CURRICULUM VITAE

Peter John Andrew	PhD, MBA, ACIS, AAIA, ILTM, CEFHE
Address	Department of Accounting and Law Portsmouth Business School Richmond Building Portland Street PORTSMOUTH PO1 3DE
Education	PhD Electrical Engineering (1979) King's College London CEFHE Portsmouth Polytechnic (1983) MBA University of Portsmouth (1992) ACIS (1999) AAIA (2000)
Employment	Civil Service 1966 – 1979 Oil industry 1979 – 1981 1981 – present day Lecturing in HE institutions including University of Surrey, University of London and University of Portsmouth
Research interests	Management accounting Behavioural finance

CURRICULUM VITAE

Full name: David Charles Austen	
Job Title: Quality Improvement Manager Brockenhurst College	Date appointed: Sept 1970
Qualifications: Certificate in Education	Dates achieved: 1969
Teaching Qualification: Certificate in Education	Date achieved: 1969
Teaching Experience: Ferndown Modern School Brockenhurst College	Number of years: 1 36
Other relevant experience: <i>Current</i> Additional Inspector (Ofsted) Chair of Examiners AS/A Accounting (AQA) Principal Examiner: GNVQ Finance (AQA) <i>Previously</i> AEB Reviser 'A' Level Accounting AEB Chief Examiner 'A' Level Accounting SEG Chief Examiner GCSE Accounting 1988 AEB Reviser 'AS' Accounting Standing Advisory Committee Accounting (AEB)	Number of years: 3 6 6 1 5 14 3 8
Current responsibilities: Quality Improvement Manager	

CURRICULUM VITAE

Name: Pauline Dixey

Relevant Qualifications

- PhD – Research Doctorate investigating competency-based assessment and key skills integration within national vocational qualifications
- MSc Education and Training Management
- University Graduate (BA Hon 2.1)
- Cert Ed (FE)
- Qualified Assessor, Internal and External Verifier, APL Adviser (D32, D33, D34, D35, D36) Accounting and Learning and Development

Relevant Skills and Experience

- Considerable consultancy and project management experience within the accounting sector for AAT, QCA and the Department for Education and Skills – Key focus: quality assurance, identification of best practice in teaching and learning and comparability of assessment within post-16 accounting qualifications
- Practicing researcher with high awareness of values and instruments of post-16 education and training and associated regulatory imperatives
- R&D activity, national – Accounting Occupational Standards review, ethics module for the AAT diploma pathway, apprenticeship framework strategy group, AOSG technical working party, foundation degree development – accounting and related disciplines, AAT in schools research and development. Member of validation panel for foundation degree
- Involvement at local and national level to contribute and inform direction and policy and extend the wider debates on QA and assessment issues – e.g. for AAT: modern apprenticeship, technical certificates and occupational standards groups; for DfES: to identify, develop and maintain good practice in teaching and learning within the business curriculum and for QCA national risk assessment committees and project management of national comparability study investigating assessment practice in accounting
- Contact and credibility with wide customer base (higher education, further education, work-based training providers, commercial organisations and inspection and government agencies)
- Chair of AAT national archive meetings
- Experience contributing at national and regional level to WFD and qualification developments in response to Equipping our Teachers and other qualification and workforce development agendas to respond to government policy directives

- Very experienced Adult Learning Inspectorate associate inspector
- Experienced deliverer of national support seminars to improve standards. Detailed and contemporary understanding of assessment and verification at both theoretical and practical level
- Current external moderator, scrutineer and systems verifier in accounting, teacher training, learning and development
- Extensive experience of working with the AAT on quality assurance projects linked to accreditation, validation, external verification and models of initial training and continuing professional development for the national verification team
- Previous successful centre management of professional programmes including accounting (400+ post-16 learners)

Employment Background

1997 – to date	Independent Education and Training Consultant (T/A Dixey Harris Associates) Adult Learning Inspector (ALI)
2001 – to date	Part-time teaching and research fellow– Southampton University Registered LSN – consultant / researcher
1995 – 1997	Eastleigh College – management of professional, business and teacher training courses
1995 – to date	City & Guilds and AAT – External verifier / moderator, teacher training, L&D accounting and systems verifier (part-time)
Prior –	Industrial experience – Castrol / Intel / PHH and other large organisations located in UK and Europe

CURRICULUM VITAE

NAME: Anthony Muff

QUALIFICATIONS: BSc (Econ)
ACIB
PGCE
MBA (Fin Studies)
PhD (Risk Management)

POSITION: Principal Lecturer
University of Northampton

SUBJECTS TAUGHT:

Undergraduate, Postgraduate and Professional
Financial Management
Banking & Finance
International Finance
Corporate Finance

COURSE/FACULTY RESPONSIBILITIES:

Field Chair and Programmes leader for post graduate and undergraduate course in the
Field of Accounting and Finance
Course leader BA Accounting and Finance, CH Accounting and MSc Accounting and
Finance

OTHER RESPONSIBILITIES:

Senior Admissions Tutor
Member of Teaching and Learning Development Group
Member of University Taught Programmes Development Group
Member of Post Graduate Programme Development Group

TEACHING EXPERIENCE:

1986 – University of Northampton
1985 – 1986 Mid Warwickshire College of FE
1983 – 1984 West Nottinghamshire College of FE
1977 – 1983 Mount St Marys College

BUSINESS EXPERIENCE:

1973 – 1976 Lloyds Bank Plc – management trainee

RESEARCH/SCHOLARLY ACTIVITIES OVER PAST 2 YEARS:

Current Research:

Firm Value and Exchange Rate Volatility – Modelling approach

Foreign exchange risk hedging strategies of UK corporates

Other:

- Exchange rate hedging activities of UK multinationals
- Derivatives as hedging instruments
- Building society survival
- Survivorship and risk

Appendix 4
EVIDENCE CONSIDERED

The Expert Group had the following material available at the meeting and all material was considered:

1. Preparatory work completed by the AAT Chief External Verifier and AQA Chair of Examiners, GCE Accounting
2. Preparatory work completed by the HE representatives
3. Preliminary mapping carried out by the facilitator
4. Specifications for the AAT NVQ in Accounting
5. Specifications for the AQA A-level in Accounting
6. Examination papers, examiner/assessor reports and candidate scripts as detailed below:

GCE A-level	AAT
<ol style="list-style-type: none"> 1. June 2005 examination papers and mark schemes 2. Chief Examiner's report 3. Candidate scripts <ul style="list-style-type: none"> ▪ 2 Grade A scripts for Module 1 ▪ 3 Grade A scripts for Module 3 ▪ 4 Grade A scripts for Module 4 ▪ 3 Grade A scripts for Module 5 ▪ 4 Grade A scripts for Module 7 ▪ 4 Grade E scripts for Module 1 ▪ 4 Grade E scripts for Module 3 ▪ 4 Grade E scripts for Module 4 ▪ 4 Grade E scripts for Module 5 ▪ 4 Grade E scripts for Module 7 	<ol style="list-style-type: none"> 1. June 2005 examination for Unit 5: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 2. June 2005 examination for Unit 6: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 3. December 2005 Examination for Unit 5: <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 4. December Examination for Unit 6 <ul style="list-style-type: none"> ▪ Examination paper ▪ Mark scheme ▪ Chief Assessor's report ▪ 2 scripts 5. Simulation materials for Unit 5 <ul style="list-style-type: none"> ▪ Specimen simulation ▪ 2 candidate scripts 6. Simulation materials for Unit 6 <ul style="list-style-type: none"> ▪ Specimen simulation ▪ 2 candidate scripts