

EXPERT GROUP REPORT
FOR
AWARD SEEKING ADMISSION TO
THE UCAS TARIFF

***EDI LEVEL 3 CERTIFICATES IN ACCOUNTING &
ACCOUNTING (IAS)***

Anne Matthews & Dr Geoff Hayward
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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 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 EDI Level 3 Certificates in Accounting and Accounting (IAS) against the selected benchmark qualification, the AQA GCE A level in Accounting. Section 1 of the report sets out the composition of the Expert Group. Sections 2 and 3 provide, respectively, an overview of the EDI awards and the benchmark qualification. Section 4 illustrates 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.

The Expert Group agreed that there were broad similarities between the aims of the two awards, each seeking to advance students' knowledge, understanding, application and analysis of accounting. There were, however, certain differences in emphasis in the purpose and aims of the two awards reflecting the more vocational and professional focus of the EDI qualification and the more general focus of the GCE A level. Nevertheless, it was agreed that both awards were equally appropriate as a basis for entry to HE.

It was agreed that the GCE A level was a larger qualification than the EDI award. However, in order to arrive at a determination of comparative size, the Group explored two different approaches. First, the Expert Group looked at the amount of additional teaching time which would be needed to ensure an EDI candidate had covered all the additional A level material and vice versa. It was estimated that it would take 7 or 8 weeks longer to ensure the EDI candidate had covered the same material as the A level candidate, or slightly less than the notional 10 weeks typically required for an A level module. Second, the Expert Group agreed that there was broad equivalence in content between four of the GCE A level modules and the EDI syllabus topics. It was noted that although the remaining two A level modules dealt with a subject (Management Accounting) which was not included in the EDI syllabus, the EDI syllabus included a significant section on Group Accounts, which, together with the remaining content areas not covered in the A level could be said to be broadly equivalent to one A level module. Based on the evidence from these two exercises, the Expert Group reached a consensus view that the EDI syllabus contained content equivalent to 5/6th of an A level.

When comparing assessment models, the Group noted that greater emphasis was given to the demonstration of numerical and computational skills in the EDI examination than in the A Level where the skills of evaluation counted for some 20% of the A level marks as required by the regulator. Nevertheless, a comparison of examination questions

showed that when equivalent skills (knowledge, understanding, application and analysis) were being assessed, the EDI questions were typically at least as demanding as the A2 questions, in terms of:

- the structure of the papers providing very little support for candidates
- the depth of technical knowledge and the complexity of the computational skills required.

When comparing the assessment of similar skills, using candidate evidence, the Expert Group agreed that the EDI Pass, Merit and Distinction grades aligned with A level Grades A, B/C and C/D respectively. The Group considered the fact that, unlike the GCE A level, the EDI examination did not emphasise the assessment of the skills of evaluation, but noted that there were a number of critical assessment factors which, notwithstanding the lack of emphasis on the demonstration of evaluation skills, made the EDI examination potentially more demanding than the A level examination. These included the fact that:

- the EDI is assessed by a single examination taken at the end of the course, unlike the GCE A level where assessment can be taken over a period of time
- the role of individual questions is more critical since the EDI paper contains two compulsory questions which, if not attempted, results in the failure of the examination.

Consequently, in arriving at a recommended number of UCAS Tariff Points, the Group argued that the greater technical competence required by EDI candidates, together with the features which characterised the criticality of the EDI assessment structure, could be offset against the slightly smaller content and the lack of emphasis on evaluation skills.

The following allocation of UCAS Tariff Points was therefore recommended:

EDI Grade	Recommended UTPs
Pass	70
Credit	90
Distinction	120

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 to form the Expert Group:

- Dr Peter Andrew, Undergraduate Admissions Tutor, University of Portsmouth
- David Austen, Chair of Examiners, GCE A Accounting (AQA)
- Dr Alpa Dhanani, Lecturer in Accounting and Finance, Cardiff Business School
- Mr Bob Hillier, Chief Examiner Level 3 and 4 Accounting Examinations, EDI
- Dr Tony Muff, Field Chair for Accounting and Finance, University of Northampton

Paul McAndrew, EDI Development Manager, joined the group as an observer.

Anne Matthews 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 Higher Education based consultant.

CVs of the Expert Group are attached as Appendix 1.

SECTION 2: OVERVIEW OF THE AWARD SEEKING ADMISSION TO THE UCAS TARIFF – EDI LEVEL 3 CERTIFICATES IN ACCOUNTING & ACCOUNTING (IAS)

1. Aims and purpose of the qualification

The Level 3 Certificate in Accounting is a broad-based qualification which offers learners not only an academic perspective but also a practical approach to the accounting discipline. It aims to allow candidates to develop:

- an understanding of the basic principles underlying the recording of business transactions
- the ability to prepare and interpret accounts for sole traders, partnerships, non-trading organisations, limited companies and groups of companies in accordance with basic accounting conventions and current accounting practice

Broad Objectives

Upon achieving this qualification candidates' should be able to:

- demonstrate an understanding of the more advanced aspects of Level 1 Certificate in Book-keeping and Level 2 Certificate in Book-keeping and Accounts.
- prepare accounts for a partnership in relation to alterations in partners' interests and the conversion of a partnership into a limited company
- prepare accounting entries for a limited company to record the issue of share capital and the issue and redemption of debentures
- account for distributable profits and profits prior to incorporation for companies
- prepare accounts for investments, joint ventures and interest on capital
- prepare a Cash Flow Statement in accordance with FRS 1 (revised)
- prepare a cash budget
- calculate and interpret accounting ratios not examined at Level 2 Book-keeping and Accounts
- the interpretation of accounting statements

Level 3 Accounting (IAS)

The Level 3 Certificate in Accounting (IAS) is a broad-based qualification which offers learners an academic yet practical approach to the accounting discipline and the opportunity to gain knowledge and experience in using the International

Accounting Standards, which all public limited companies must now adopt. It aims to allow candidates to develop:

- the ability to prepare accounting statements and data in accordance with basic accounting conventions and current international accounting practice with reference to disclosure of accounting policies, inventory, accounting for depreciation, Cash Flow statements and Group Accounts
- the ability to use and interpret accounting statements and data

Broad Objectives

Upon achieving this qualification candidates should be able to:

- record accounting transactions and prepare the final accounts of sole traders, partnerships, limited companies and non-trading organisations
- prepare partnership accounts and account for alterations in partners' interests, the retirement of a partner, the admission of a new partner and the conversion of the partnership into a limited company
- prepare the accounting entries for a limited company to record the issue of share capital and the issue and redemption of debentures
- prepare accounts for groups of companies in accordance with IAS 22 (r98) and 27
- prepare accounts for branches, investments, joint ventures (not IAS 31) and interest on capital
- prepare a Cash Flow Statement in accordance with IAS 7 (r92)
- prepare a cash budget
- calculate and interpret accounting ratios
- interpret accounting statements
- discuss accounting terminology in relation to stock valuation and depreciation
- apply current international accounting practice as expressed by International Accounting Standards (IAS)

2. History of the qualification

This qualification was first offered by the London Chamber of Commerce and Industry Examination Board (LCCIEB) approximately over 25 years ago. It is now being offered by Education Development International (EDI), which was formed through the merger of the LCCIEB and GOAL in 2002. The qualification has been accredited by the QCA in the past and was re-accredited in November 2006 as the EDI Level 3 Certificate in Accounting, which is now being offered alongside the equivalent LCCI IQ Level 3 Certificate in Accounting qualification.

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

Candidates who attempt this qualification must have the knowledge and skills equivalent to the LCCI IQ Level 1 Certificate in Book-keeping and Level 2 Certificate in Book-keeping and Accounts qualifications. Additionally, candidates should have a standard of English equivalent to LCCI IQ Level 2 English for Business.

4. Age of candidates

16+

5. Guided Learning Hours

EDI recommends that 140 - 160 Guided Learning Hours (GLHs) provide a suitable course duration for an 'average' candidate at this level. This figure includes direct contact hours.

6. Content and structure of the qualification

The qualification consists of one unit. The syllabus content for this unit is outlined below.

Syllabus Topics

- 1 Recording transactions

- 2 Preparation of accounting statements and data:
 - 2.1 Income statements and cash records
 - 2.2 Balance sheets
 - 2.3 Partnerships
 - 2.4 Companies
 - 2.5 Accounting for groups of companies
 - 2.6 Accounting for branches, investments, joint ventures and interest on capital
 - 2.7 Cash flow statements
 - 2.8 Cash budgets
 - 2.9 Accounting ratios, working capital statements

- 3 Use and interpretation of accounting statements and data:
 - 3.1 Measuring business performance

- 3.2 Statements as an aid to management decisions
- 3.3 Understanding the terminology
- 3.4 Effect of accounting concepts and up-to-date accounting methods on final accounting statements

7. **Assessment – procedures, methods and levels**

The candidates' knowledge and skills are assessed by a written examination. The time allowance for the examination is 3 hours 30 minutes.

The format of the examination is as follows:

Section A - this contains **2** compulsory questions, each worth 20 marks.

Section B - this contains **4** questions, each worth 20 marks. Candidates are required to answer any 3 of these questions

Questions can relate to more than one topic area from the syllabus. The answers required will be predominantly of a quantitative nature but candidates will be required to provide short written answers

At least **2** of the following syllabus topics will appear in each examination:

- 2.3 Partnerships
- 2.4 Companies
- 2.5 Accounting for groups of companies
- 2.6 Accounting for branches, investments, joint ventures and interest on capital
- 2.7 Cash flow statements
- 2.9 Accounting ratios, working capital statements

Candidates' scripts are marked by a team of examiners lead by a Chief Examiner who scrutinises the marking of individual examiners to ensure marking is according to standard.

Exam Dates

Candidates may sit the exam at any EDI / LCCI IQ Registered Centre.

The exam is available on fixed dates three times a year: Series 2 (April), Series 3 (June) and Series 4 (November). Exams are also available on demand.

Level Description

Candidates will typically be able to demonstrate a mature understanding of basic accounting conventions, principles and current accounting practice as well as apply these appropriately in preparing accounts and statements from complex situations, data and cases. They should also be able to analyse information from ratios and accounting statements to make reasoned judgements about the profitability and viability of a business.

8. Grading

Pass	50%
Credit	60%
Distinction	75%

9. QA systems and code of practice

Examiner recruitment

1. EDI produces qualifications that are both valid and reliable. To do this chief examiners and examiners are recruited according to EDI procedures and placed on annual contracts. In their contracts chief examiners and examiners agree to adhere to the responsibilities and standards set out in the *EDI standards manual*.

Question setting

2. Chief examiners are responsible for the production of question papers, syllabus coverage matrices, marking schemes and model answers, according to EDI procedures and to the standard and quality specified in the *EDI Guide to question and paper setting* and *Instructions for Chief Examiners*. Question papers are produced that at an equivalent level of demand to earlier papers set in that qualification and must show both construct and content validity.
3. Moderators are responsible for the moderation or revision of question papers, syllabus coverage matrices, marking schemes and model answers again according to EDI procedures and standards including the *Instructions for moderators*.

Standardised examining

4. Chief examiners are responsible for reviewing the performance of the question paper and provisional mark scheme before the standardisation meeting and for finalising the marking at the meeting. Standardisation

meetings also take place to ensure examiners interpret and apply the mark scheme consistently. Examiners are each asked to mark a batch of common scripts before the meeting and to receive feedback on this marking at the meeting.

5. The standard of examiner marking is scrutinised by the chief examiner soon after the standardisation meeting and feedback is provided by the chief examiner. The examiner cannot proceed with his or her marking until this feedback is received. The examiner may need to revise his or her marks based on this feedback. Examiners follow the procedures set out in the *Instructions for examiners* document.
6. The chief examiner may scrutinise a second batch of marking if any concern exists regarding the accuracy of marking.
7. Training and standardisation meetings are held to ensure examiners can mark on demand question papers consistently.
8. Examiner performance is graded based on marking accuracy, administrative competence, communications skills and time-keeping and earlier performance is taken into account before examiners are allocated any new marking.

Grade review

9. The chief examiner produces an examination performance report used as part of the grade endorsement procedures followed by the Qualifications Manager (Quality Assurance) before results release. Series results must be agreed by the Director of Education Development before release.

SECTION 3: OVERVIEW OF THE BENCHMARK AWARD – GCE A LEVEL ACCOUNTING (AQA)

1. Aims and purpose of the qualification

Aims:

- Develop educational skills in relation to accounting concepts, techniques
- Appreciate the context in which accounting operates (legal, economic; limitations of subject)
- Develop communication and numeracy skills

Purpose:

- 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 course of study or employment

Students who study accounting will generally take the subject as part of a wider programme which may or may not include other business-related subjects. Students may proceed to a wide range of courses in higher education or forms of employment.

Accounting is relatively unusual in having a strong emphasis on both numeracy and communication skills. In addition, students often develop very good organisational and presentation skills because it is the nature of the subject matter to have to deal with very large amounts of data.

2. History of the qualification

- A Level Accounting introduced by the Associated Examining Board over 40 years ago.
- 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 passes (grade C or higher) in GCSE.

Students who have not reached grade C in Mathematics or English Language would normally have to improve their grade alongside their A Level studies or take some equivalent qualification.

4. Age of candidates

The typical candidate will be aged 16-18. However, a small minority of candidates are aged 19+.

5. Guided Learning Hours

- There will be a variation in the hours available for study from centre to centre
- Typical pattern would be 4 hrs 30 mins to 5 hours per week for the 2-year course
- The first year would consist of (say) 34 weeks 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.

There are 7 modules – candidates must take 6 modules for the full qualification.

Module 2 is offered as an alternative to Module 1.

AS Level

- The AS modules provide a foundation in financial accounting and also introduce students to aspects of costing and management accounting.
- Students who only take the subject to AS Level therefore have a broad understanding of the functions of accounting.
- The main focus is on sole traders and limited companies.
- Students develop skills in double-entry record keeping including recording VAT, but also are expected to have an understanding of the theoretical basis for accounting (accounting concepts) and also study some complex applications of these concepts (example provisions for unrealised profit)
- Students not only develop financial accounting techniques, but are also expected to analyse and comment on a business's performance and prepare budgets.
- Students should not only be able to carry out procedures, but demonstrate an understanding of the purpose and limitations of those procedures.

A2 Level

- The A2 module develops a more advanced understanding of financial, cost and management accounting.
- In financial accounting students develop skills in completing final accounts for not-for-profit organisations, businesses with incomplete financial records, partnerships. Students study some advanced and complex aspects of accounting for partnerships (eg dissolution) and for limited companies (eg preparation of cash flow statements).
- Students develop their understanding of costing techniques including some advanced techniques (standard costing)
- Students are expected to provide comprehensive reports on business performance (often limited companies) analysing profitability and liquidity, making judgements on the success of an organisation and making recommendations.
- Students study some conceptually difficult issues: for example 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 the wider viewpoint of those external to the business (social accounting).

7. Assessment – procedures, methods and levels

- All assessment is external – there is one assessment for each module
- Each paper is of equal weight
- Each paper must have a profile reflecting the 4 assessment objectives based on educational skills (Overall the weighting is:35% knowledge and understanding; 25% application; 25% analysis; 10% evaluation)
- Each A2 assessment unit (Acc 5, 6 and 7) must contain a synoptic element in which candidates are required to demonstrate that they have an understanding of the subject as a whole not just the material in that unit
- The entire qualification is at Level 3.

8. Grading

Candidates are graded on a five-point scale (A-E) with a grade U (unclassified) for those fail to reach the minimum standard for grade E.

There are grade descriptors for both which 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 examination papers are subject to scrutiny by a 'reviser' before being reviewed by the whole subject committee (made up of the examining team plus delegates from centres). One of the committee's tasks is to ensure that the paper adheres to the criteria for inclusion of educational objectives.

Example 2: the awarding of grades follows strict procedures which include the use of statistical data to ensure that the standard adopted in one year is applied in subsequent years. Statistical data is 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 4: THE WORK OF THE EXPERT GROUP

4.1 Prior to the meeting

Prior to this meeting some preliminary work was carried out. This included a detailed mapping of the EDI Level 3 Certificate in Accounting against the AQA specification for GCE A level Accounting, reports from three 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 EDI Level 3 Accounting and Accounting (IAS) Certificates and that of the Accounting GCE A level.

4.2 The Expert Group meeting

The Expert Group then met on one occasion for two days to examine and discuss the evidence listed in Appendix 2 and the preparatory work completed by group members. This section contains an account of the deliberations of this meeting.

The opening session provided an opportunity for the EDI Chief Examiner and the AQA Chair of Examiners to present their qualifications and for Expert Group members to seek clarification about general issues in relation to the awards.

Clarification was sought about the relationship between the EDI syllabus and the LCCI syllabus. It was explained to Expert Group members that the Level 3 Certificate in Accounting and Accounting (IAS) had run, and will continue to run, under the LCCI brand name, targeted mainly at the overseas market. EDI had recently obtained accreditation from QCA for the same qualifications to be placed on the NQF and targeted at the UK market. The syllabuses are identical. The materials used for this comparability exercise bear the LCCI/EDI brand name since those bearing only the EDI name are not yet available.

4.3 Comparison of aims

The Expert Group agreed that there were broad similarities between the aims of the two awards, each seeking to advance students' knowledge, understanding, application and analysis of accounting. There were, however, certain differences

in emphasis in the purpose and aims of the two awards reflecting the distinction between their respective target audiences. It was noted that the A level specification emphasised the development of skills and knowledge as a preparation for further study in accounting and related subjects, included the broader context in which accounting operates (e.g. legal, economic) and referred to the development of communication and presentation skills, whereas the EDI syllabus emphasised the more vocational or professional aspects of the qualification. Nevertheless, it was agreed that both awards were equally appropriate as a basis for entry to HE.

4.4 Structure

As with all GCE A Levels, the AQA specification comprises six modules, three to be completed for the AS award normally in the first year of the course, with a further three A2 modules required for the full A Level qualification normally at the end of the second year. No prior accounting experience or skills and knowledge are required to embark on this award.

The EDI syllabus comprises one unit and is designed to be delivered in one year with a terminal examination. Candidates who attempt this qualification must have skills and knowledge equivalent to the LCCI Level 1 Certificate in Book-keeping and Level 2 Certificate in Book-keeping and Accounts.

4.5 Determining size – comparison of guided learning hours

One measure of the size and demand of an award is the number of hours of study needed to complete it. With regard to the GCE A level, it was noted that the QCA did not place a requirement on Awarding Bodies to state a number of guided learning hours (glh) for A level. However, the AQA Chair of Examiners indicated that a typical pattern for an A level is 4.5 contact hours per week over 64 weeks (a two year course), totalling 304 glh. This estimate would, of course, vary from centre to centre.

For the EDI award, on the other hand, a recommended number of guided learning hours is given: 140 to 160 hours. However, it was not possible for EDI to obtain reliable information from the overseas market about how closely this recommendation was followed. The EDI Chief Examiner suggested that a typical pattern for a student seeking to achieve the Level 3 Certificate in Accounting would be to take the Level 1 Certificate in Book-keeping (140 to 160 glh), the Level 2

Certificate in Book-keeping and Accounts (140 to 160 glh) and the Level 3 Certificate in Accounting in three consecutive years. However, although entry to the Level 3 award required the skills and knowledge developed in the Level 1 and 2 awards, these may not have been acquired through qualifications run by EDI.

The HE representatives suggested that the group was placing too much weight on the number of study hours and that comparisons of content and outcomes/levels of demand may be more instructive. It was therefore agreed to return to study hours, if appropriate, later in the meeting.

4.5 Determining size – breadth and depth of content coverage

The Expert Group began by reviewing the content mapping produced by the AQA Chair of Examiners as part of the preparatory work. This showed:

- The areas of the GCE A level specification which were not covered by the EDI syllabus (see Table 1)
- The areas of the EDI syllabus which were not covered by the A level specification (see Table 2)

In discussion a few minor adjustments were made to these tables (shown in bold) where it was agreed that the aspect concerned was in fact covered by the relevant syllabus (e.g. rights issues was moved to the 'covered' column in Table 1). The discussion of the 'not covered' column in Table 1 revealed that a number of these areas (shown in italics) were either covered in the lower level EDI awards and represented required skills and knowledge for entry to Level 3 or were covered in a higher level separate Management Accounting qualification.

In general, the Expert Group agreed that there was a reasonable content match between the two qualifications. However, in order to arrive at a determination of comparative size, the Group explored two different approaches.

The AQA Chair of Examiners calculated the amount of extra teaching time it would take to ensure an EDI candidate had covered all the additional GCE A level material and vice versa. The additional teaching time is noted in the shaded column of Tables 1 and 2. He demonstrated that it would take an extra 17.5 weeks to teach an EDI candidate the additional content of the A level specification not included in the EDI syllabus, and an extra 10 weeks to teach an A level candidate the additional EDI material not covered in the A level specification. This

represented a difference of between 7 and 8 weeks, or slightly less than the notional 10 weeks typically required for an A level module. This would suggest that the EDI syllabus was equivalent to five A level modules, i.e. 5/6th of an A level.

The HE representative from Northampton University noted that Table 1 indicated that there was broad equivalence in content between Modules 1, 3, 5 and 6 of the A level and the EDI syllabus topics. Modules 4 and 7 of the A level specification dealt with Management Accounting which was not included in the EDI syllabus. However, the EDI syllabus included a significant section on Group Accounts, which, together with the remaining content areas not covered in the A level could be said to be broadly equivalent to one A level module. In his view, therefore, the EDI syllabus was equivalent to five A level modules, i.e. 5/6th of an A level.

The HE representative from Portsmouth University indicated that from his reading of the material during the preparatory work he had come to the view that the EDI syllabus was about two thirds the size of the A level specification.

After some further discussion, the Expert Group reached a consensus view, based on the evidence provided by the AQA Chair of Examiners and the HE representative from Northampton, that the EDI syllabus contained content equivalent to 5/6th of an A level.

Table 1: Comparison of A level Accounting and LCCI Level 3 Certificate in Accounting

A LEVEL	LCCI LEVEL 3 CERTIFICATE		Extra teaching time in weeks
	COVERED	NOT COVERED	
MODULE 1 The Accounting Information System (Option Module 2 ignored)	Double-entry accounting covered in Certification 1 Recording transactions Control accounts (Cert 1) Computerisation of accounting (Cert 1) Basic final account and balance sheets (of sole traders) (Cert 2)	Accounting for VAT (<i>not relevant for international market</i>) Bank reconciliation statements (<i>covered at lower level</i>)	1.5
MODULE 3 Financial Accounting	Accounting concepts (Cert 3.4) Final accounts and balance sheets of sole traders including adjustments, depreciation, etc (Cert 2.1; 2.2 etc) Stock valuation (Cert 3.3.1/3.3.3) Limited companies: background and internal final accounts and balance sheets (Cert 2)	Manufacturing accounts including treatment of manufacturing profit; provisions for unrealised profit (<i>covered at lower level</i>)	
MODULE 4	Ratio analysis – all ratios listed;	Types of costs, marginal costing	

Introduction to Management Accounting	<p>interpretation; limitations etc (Cert 2.9)</p> <p>Cash budgets; forecast final accounts (Cert 2.8)</p>	<p>and contribution</p> <p>Break even analysis</p> <p>Budgetary control – benefits/drawbacks; preparation of purchases, sales, production, debtor and credit budgets <i>All above covered in Management Accounting qualification</i></p> <p>Social accounting <i>Covered in a higher qualification</i></p>	5
MODULE 5 Further Aspects of Financial Accounting	<p>Financial statements of non-profit making organisations (Cert 2.1; 2.2)</p> <p>Partnership capital and current accounts (cert 2.3)</p> <p>Partnership final accounts (Cert 2.3)</p> <p>Changes in partnership interests (Cert 2.3)</p> <p>Dissolution of partnership (Cert 2.3)</p> <p>Admission and retirement of partners (Cert 2.3)</p> <p>Valuation of assets (Cert 3.3)</p> <p>Types of business organisation (Cert 2)</p>	<p>Incomplete records – preparation and comment on end of year financial statements based on incomplete records <i>(covered at lower level)</i></p> <p>Sources of finance – comparison of different sources including shares, loan capital, mortgages, hire purchases, bank loans, bank overdrafts. Some overlap; difference in emphasis – prose v numerical</p>	0.5
MODULE 6 Published Accounts of Limited Companies	<p>Ratios used when analysing published accounts (Cert 2.9)</p> <p>Accounting standards (Cert 3.4.6)</p> <p>Cash flow statements (using FRS1)</p> <p>Rights issues and bonus issues of shares – explanations and accounting records (Cert 2.4)</p>	<p>Published accounts and the requirements of user groups; main elements in published accounts; limitations of published accounts; duties of directors and auditors etc Some overlap; difference in emphasis – prose v numerical</p>	0.5
MODULE 7 Further Aspects of Management Accounting		<p>Absorption costing, marginal costing and decision making</p> <p>Standard costing and variance analysis</p> <p>Capital investment appraisal</p> <p>Other factors affecting decision making including social accounting <i>Covered in Management Accounting qualification</i></p>	10
Total extra time to cover additional A level material			17.5 weeks

(*Note:* Cert 1, Cert 2, etc refers to syllabus topic numbers in the LCCI syllabus)

Table 2: Comparison of LCCI Certificate in Accounting and A level Accounting

LCCI LEVEL 3 CERTIFICATE SYLLABUS TOPIC	A LEVEL ACCOUNTING		Extra teaching time in weeks
	COVERED	NOT COVERED	
1 Recording transactions	1.1-1.4 Double entry procedures including control accounts; 1.7 sequence of events (Acc 1) 1.5 mechanical methods of recording		
2 Preparation of accounting statements and data		Conversion of a partnership into a limited company (entries in company's books)	0.5
2.1 Income statements			
2.2 Balance sheets	2.1.1 – 2.2.1 – final accounts of sole traders, partnerships, limited companies and non-trading organisations (Acc 1, 3 and 5)		
2.3 Partnerships	Changes in partnership interests (Acc 5) Dissolution of partnerships (Acc 5) Admission or retirement of partners (Acc 5) Conversion of a partnership into a limited company (entries in partnership's books) (Acc 5)		
2.4 Companies	Distributable profits	Issue of shares and issue and redemption of debentures (ledger accounting entries for all these)	1
2.5 Accounting for groups of companies		Profits prior to incorporation	3
2.6 Accounting for branches, etc		Accounting for groups of companies	
		Branches	2
		Investments	1
2.7 Cash flow statements		Joint ventures	1
2.8 Cash budgets		Interest on capital	
2.9 Accounting ratios, etc	Cash flow statements (Acc 6) Cash budgets (Acc 4) 2.9.1 all ratios covered with exceptions shown next column (Acc 4 and 6)	2.9.1 sales to capital employed; fixed assets to net worth; sales to fixed assets; break up value; earnings yield (ie 5/18 ratios) And working capital statements	0.5
3 Use and interpretation of accounting statements			

3.1 Measuring business performance	All points covered (Acc 4)		1
3.2 Statements as an aid to management decisions	All points covered (Acc 4 and 7)		
3.3 Understanding the terminology	Stock valuation for final accounts Stock accounts Ascertaining stock in the absence of a physical stock taking Depreciation (Acc 3 and 5)	Some depreciation bases: (c) – (f) Apply concept of recoverable amount Apply concept of carrying amount	
3.4 Effect of accounting concepts etc	Most points covered (Acc 3 and 6)	Not covered SSAP2 and FRS2 Or International Accounting Standards	
Total extra time to cover additional LCCI material			10 weeks

(*Note:* Acc 1, 3 etc refer to A Level accounting modules)

4.6 Estimating relative demand - comparing Assessment Models

Use of assessment objectives

Differences in the use of assessment objectives were noted by Expert Group members. The GCE A level assessment model sets out assessment objectives purely in terms of educational objectives applied to accounting and so emphasises knowledge and understanding, application, analysis and evaluation, whereas the EDI syllabus refers to assessment objectives with the emphasis on accounting activities, particularly the preparation of accounting statements, entries and documents. This reflects the more vocational and professional focus of the EDI qualification and the more general focus of the GCE A level.

Weighting of assessment objectives

The weighting of assessment objectives is prescribed in GCE A level with some 55% of the marks at A level being allocated to knowledge and understanding and application and 45% to analysis and evaluation. The EDI syllabus does not prescribe such weightings. However, the Chief Examiner indicated that the notional weighting in marking of the EDI papers was 80% being allocated to knowledge and understanding and application and 20% to analysis and evaluation. This reflected the greater emphasis on numerical ability in the EDI examination than in the A level where broader educational objectives are emphasised. It was noted that whereas it would be possible to get a distinction on the EDI paper by

successfully completing all the numerical and computational tasks, it would not be possible to achieve a Grade A at A level without demonstrating broader communication and presentation skills in addition to the numerical and computational skills.

Synoptic assessment

All GCE A level specifications must include synoptic assessment and in the A level in Accounting synoptic assessment accounts for approximately 23% of the total A level marks. Since the EDI syllabus is examined by a single examination at the end of the course, it is considered to be synoptic.

4.7 Estimating relative demand – comparing examination requirements : structure, question papers, mark schemes

In comparing the structure, length and amount of candidate support in the examination papers, and marking schemes, the Group noted that:

- There is no choice of question in the GCE A level papers, although it is not necessary to pass all of the questions to achieve a grade. There is a very small degree of choice in the EDI paper. However, the first two questions on the EDI paper are compulsory and failure to answer them means that the candidate fails the examination
- There is a higher proportion of computational questions to those requiring prose responses in the EDI examination
- The layout and structure of the questions and the organisation of the examination material for AS candidates offers them some support. There is considerably less such support at A2 where the papers are comparable to the EDI questions in their requirements for candidates to apply accounting techniques to similar types of data
- The numerical and computational EDI examination questions were agreed to be more demanding than comparable A level questions
- The total assessment time for the 3 A2 examinations is about the same as for the single EDI examination (3.75 and 3.5 hours respectively)
- GCE A level candidates take six separate examinations over a period of time and can resit individual units; EDI candidates must take one examination at the end of the course
- The marking schemes are very similar.

At this point the Group was beginning to form the view that the EDI examination was technically more difficult and potentially more demanding than the A level examination because of three critical assessment factors:

- It is assessed by a single terminal examination, unlike the A level where the assessment can be taken over a period of time
- The role of individual questions is more critical since the paper contains two compulsory questions which, if not attempted, results in failure of the examination.
- There is less support for the candidate in terms of layout and structure of the papers

It was noted that this ‘criticality’ of the assessment structure would need to be taken into account when aligning the grades.

4.8 Estimating relative demand - Comparison of examination questions

In order to determine the relative demand of the two examinations, the Group examined the LCCI Series 3 examination paper taken on 8 June 2006 and reviewed each question in turn, where possible against similar questions drawn from the six June 2006 GCE A level papers.

LCCI Question	Comparable AL question	Comments
1	Accounting Unit 1 Question 2	This LCCI question about journal entries is intended to test the knowledge and skills developed at L1 & 2 in a L3 context. Both questions are testing the skills of double entry book-keeping and require the candidate to deal with errors. In the AS exam candidates have to rework the net profit. In the LCCI exam they have to make correcting entries and then rework the net profit. The LCCI question is less structured than the AS question and was agreed to be a more demanding technical exercise. Had the AS question appeared as a synoptic question in an A2 paper, the level of demand of the 2 questions would be similar.
2		A question about the issue of shares and debentures, requiring the application of complex techniques.
3	Accounting Unit 4 Question 2	Both questions are about cash budgeting. The LCCI question is a standard question but there are no templates to guide the candidate’s response as there are in the A2 question. On the other hand the A2 question requires candidates to work out the production budget before they can work out a cash budget. On balance, therefore, the Group agreed these 2 questions were very similar in demand.
4		This question requires candidates to show the P&L accounts of a partnership for each of the four month periods for a given year. It

		<p>was agreed that this was a demanding question in terms of the complexity of the partnership situation and the application of appropriate computational skills and knowledge.</p> <p>The AQA Chair of Examiners agreed that this question was comparable in demand to an A2 question.</p> <p>It was, however, noted that there was no requirement for a prose response and therefore less opportunity for candidates to demonstrate skills of evaluation.</p>
5	Accounting Unit 6 Question 2	<p>Each question is in two parts. In part 1 both questions require candidates to apply their knowledge of formulae for calculating ratios to a given set of data and are directly comparable in demand. In part 2 the A2 question asks candidates to weigh up the information in part 1 and provide advice to the client, whereas the LCCI question asks candidates to provide a brief prose response to 3 comments about the price/earnings ratio.</p> <p>There was some debate about how much opportunity part 2 of the LCCI question all owed candidates to demonstrate skills of evaluation. Overall, it was agreed that the 2 questions were comparable in demand.</p>
6		<p>This LCCI question is about Group Accounts, a topic not covered at A level. It was agreed that it would require the application of complex accounting techniques. The HE representative from Northampton noted that he would expect to see this level of question in a Year 2 or 3 undergraduate examination. The AQA Chair of Examiners indicated that he had taught comparable material to NVQ Level 4 candidates.</p>

At the end of this exercise group members agreed that the EDI questions were typically at least as demanding as the A2 questions, in terms of the structure of the papers providing very little support for candidates, the depth of technical knowledge and the complexity of the computational skills required. However, while it was felt that some EDI questions required a greater depth of technical knowledge and skill than the A level questions, the Group was aware that EDI candidates were not able to demonstrate the skills of evaluation which form a significant element of the A level assessment objectives.

The AQA Chair of Examiners illustrated the type of A level questions which required candidates to demonstrate evaluation skills by reference to Accounting Unit 5, Questions 1 and 2, and Accounting Unit 6, Question 3. The final part of each of these questions required candidates to think about the data on which they had been working in the earlier parts of the question and provide a reasoned judgement or recommendation or justification for a piece of advice. Such questions are designed to fulfil the broad educational objectives of the A level qualification. There is less scope for such questions in the EDI examination, which, as a professional qualification, emphasises the application of technical, computational skills.

In summary, candidates who achieved a Distinction in the EDI examination would have demonstrated a very high level of numerical and computational competence, while candidates achieving a Grade A at A level may not have demonstrated such a high level of numerical competence but would have displayed more skills of evaluation than their EDI counterparts.

The HE representatives were asked for their views on this difference between candidates. The Cardiff representative noted that the EDI candidates may be disadvantaged if they could not provide evidence of the broader educational skills, such as evaluation, developed by the A level, since such skills are part of the standardised admission criteria for all the degree offered by the Business School, all of which are fairly academic in their rigour. The Portsmouth and Northampton representatives indicated that no prior accountancy qualifications were required for admission to their degree in accounting. They felt that the potentially higher level numerical skills of the LCCI candidate may be an advantage and that by Year 2 of the degree the wider skills would be developed.

It was noted that the accountancy degrees offered by Portsmouth and Northampton are benchmarked against and accredited by the key UK professional accounting bodies, for example ACCA and CIMA, whereas those offered by Cardiff, although working with the professional standards of the UK accounting bodies adopt a more academic, theoretical approach. It is likely, therefore, that the acceptability of the EDI qualification by HE will depend on the nature of the institution and the type of degree being offered.

At this point the Expert Group members noted that, when aligning the grades and recommending the allocation of UCAS Tariff Points, they would need to consider whether the greater depth of technical competence in the EDI could offset the absence of evaluation skills present in the GCE A level.

4.9 Aligning the grades

The Group began this exercise with the view that the 50% required for a Pass in the EDI examination is likely to require a higher level of technical skill than a Grade E at A level where candidates could theoretically pick up marks for wider educational skills to compensate for poor technical skills. The Group then considered a possible alignment of the Pass with the Grade D at A level. However, it was noted that if the EDI papers were assessed using the A level marking scheme, the marks would be

allocated for knowledge and understanding and application and only a small amount of evaluation. So the 50% required for a Pass is concentrated on knowledge and understanding and application, whereas a Grade D candidate is gaining marks for the whole range of skills. Therefore it might not be unreasonable to conclude that in terms of the application of technical skills and knowledge, an EDI pass may be closer to an A level Grade C. The AQA Chair of Examiners suggested that an alignment of the Pass to the C/D boundary might be more appropriate.

The Group then compared the performance of an EDI Credit candidate with a Grade A A level candidate, using questions which had been identified as comparable in the earlier exercise (EDI Series 3, June 2002, Question 5 and Accounting Unit 6 Question 2). The Grade A A level candidates achieved full marks on this question whereas the EDI candidates only achieved 10.5 and 6 out of 20 respectively. This indicated that the Grade A A level candidates were performing significantly better than the Credit candidates. Given the previous judgement about the aligning of the Pass at the C/D this suggested that a Credit was somewhere between Grades B and C at A level. Unfortunately, A level papers for these grades are not archived so a direct comparison is not possible.

Finally the Group compared the performance of some EDI Distinction candidates with that of some Grade A A level candidates, using the same questions as above. The Grade A A level candidates are obtaining a proportion of their marks for evaluation, skills that are not assessed in the EDI examination. However, when application of knowledge to solving problems was compared, i.e. performance using equivalent skill sets, it was clear that the EDI candidates were operating at the same level as GCE Grade A candidates answering A2 questions which are more demanding than AS questions.

The Group concluded that when the equivalent skills (knowledge, understanding, analysis and application) are being assessed the grades align as follows:

EDI Grade	A level grade
Pass	C/D boundary
Credit	B/C boundary
Distinction	A

4.10 Recommended allocation of UCAS Tariff Points

A number of factors were considered in the process of agreeing the recommended number of UTPs to be allocated to the EDI award:

- The agreed size of the EDI award, 5/6th of an A level, would give an allocation of 100 UTPs
- The results of the grade alignment exercise would give the following allocation

EDI Grade	A level grade	Possible UTPs
Pass	C/D boundary	58
Credit	B/C boundary	75
Distinction	A	100

- However, the grade alignment exercise was based on the assessment of equivalent skills (knowledge, understanding, analysis and application)
- The missing skill of evaluation is allocated 20% of the marks at A level

The HE representatives argued that the greater depth of technical competence, together with the features which characterised the criticality of the EDI assessment structure, could be offset against the slightly smaller content and the lack of emphasis on evaluation skills.

The following allocation of UCAS Tariff Points was therefore recommended:

EDI Grade	Recommended UTPs
Pass	70
Credit	90
Distinction	120

APPENDIX 1

The curriculum vitae of the members of the expert group

Dr Peter Andrew	Undergraduate Admissions Tutor, University of Portsmouth
David Austen	Chair of Examiners, GCE Accounting (AQA)
Dr Alpa Dhanani	Lecturer in Accounting & Finance, Cardiff Business School
Mr Bob Hillier	Chief Examiner Level 3 & 4 Accounting Examinations, EDI
Dr Tony Muff	Field Chair for Accounting & Finance, University of Northampton

Curriculum Vitae - Dr PJ Andrew

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
Born	8th May 1950 Fleet, Hampshire
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 Lecturing in HE institutions including University of Surrey, University of London. and University of Portsmouth 1981 – present day
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

Alpa DHANANI	
<i>Affiliation with:</i> Cardiff University	
<i>E-mail:</i> dhananiav@cardiff.ac.uk	

Academic Record

1991 - 1994	University of Wales, College of Cardiff	B.Sc. (Econ.) Accounting and Management
1994 - April 1998	University of Wales, College of Cardiff	PhD. in International Financial Management <i>'Currency Risk Management: A Survey of Corporate Practices'</i>

Employment History

1998 - to date	Cardiff University	Lecturer in Accounting and Finance (further details below)
1995 – to date	University of London	Assistant examiner for the University's external degree programmes for the Financial Management and Corporate Finance modules

Current Position (Cardiff University):

Teaching responsibilities:

- Module leader, lecturer and tutor for the Business Finance (year 2) module (1998 – to date);
- Tutor for the Introduction to Accounting (year 1) module (2002 – 2003);
- Tutor for the Financial Management (MBA) module (2000 – 2002) and
- Tutor for the Business Finance (year 3) module (1998 – 2000);

Administrative Responsibilities

- Member of the University's International Student Support Group (March 2005 – to date);
- Admissions tutor for all Accounting and related degrees (2004 – to date);
- Involved with the University's International Development Division in the recruitment of international students for the Business School (2003 – to date);
- Member of the Staff - Student Panel (2002 – 2005);
- Co-ordinator for Business Games run by KPMG for second year accounting and joints honours students (2002 – 2005);
- Personal tutor to undergraduate students (1998 – to date).

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 Volativity - 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 2
The evidence considered

EVIDENCE EXAMINED FOR THE EDI LEVEL 3 IN ACCOUNTING AND ACCOUNTING (IAS)

LCCI Certificate in Accounting, Extended Syllabus, October 2001

LCCI Certificate in Accounting (IAS), Extended Syllabus, October 2000

LCCI examination papers, marking schemes and candidate scripts

Series 3, Level 3 Accounting, June 2006

Series 4, Level 3 Accounting (IAS), June 2006

EVIDENCE EXAMINED FOR THE GCE A LEVEL IN ACCOUNTING

AQA specification for GCE A level Accounting, 2006

AQA examination papers, marking schemes and candidate scripts

June 2006