



Subject Benchmark Statement

Accounting

February 2016

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How can I use this document?

This document is a Subject Benchmark Statement for accounting, that defines what can be expected of a graduate in the subject, in terms of what they might know, do and understand at the end of their studies.

You may want to read this document if you are:

- involved in the design, delivery and review of programmes of study in accounting or related subjects
- a prospective student thinking about studying accounting, or a current student of the subject, to find out what may be involved
- an employer, to find out about the knowledge and skills generally expected of a graduate in accounting.

Explanations of unfamiliar terms used in this Subject Benchmark Statement can be found in QAA's glossary.¹

¹ The QAA glossary is available at: www.qaa.ac.uk/about-us/glossary

About Subject Benchmark Statements

Subject Benchmark Statements form part of the UK Quality Code for Higher Education (Quality Code) which sets out the Expectations that all providers of UK higher education reviewed by QAA are required to meet.² They are a component of Part A: Setting and Maintaining Academic Standards, which includes the Expectation that higher education providers 'consider and take account of relevant Subject Benchmark Statements' in order to secure threshold academic standards.³

Subject Benchmark Statements describe the nature of study and the academic standards expected of graduates in specific subject areas, and in respect of particular qualifications. They provide a picture of what graduates in a particular subject might reasonably be expected to know, do and understand at the end of their programme of study.

Subject Benchmark Statements are used as reference points in the design, delivery and review of academic programmes. They provide general guidance for articulating the learning outcomes associated with the programme but are not intended to represent a national curriculum in a subject or to prescribe set approaches to teaching, learning or assessment. Instead, they allow for flexibility and innovation in programme design within a framework agreed by the subject community. Further guidance about programme design, development and approval, learning and teaching, assessment of students, and programme monitoring and review is available in Part B: Assuring and Enhancing Academic Quality of the Quality Code in the following Chapters:⁴

- *Chapter B1: Programme Design, Development and Approval*
- *Chapter B3: Learning and Teaching*
- *Chapter B6: Assessment of Students and the Recognition of Prior Learning*
- *Chapter B8: Programme Monitoring and Review.*

For some subject areas, higher education providers may need to consider other reference points in addition to the Subject Benchmark Statement in designing, delivering and reviewing programmes. These may include requirements set out by professional, statutory and regulatory bodies, national occupational standards and industry or employer expectations. In such cases, the Subject Benchmark Statement may provide additional guidance around academic standards not covered by these requirements.⁵ The relationship between academic and professional or regulatory requirements is made clear within individual statements, but it is the responsibility of individual higher education providers to decide how they use this information. The responsibility for academic standards remains with the higher education provider who awards the degree.

Subject Benchmark Statements are written and maintained by subject specialists drawn from and acting on behalf of the subject community. The process is facilitated by QAA. In order to ensure the continuing currency of Subject Benchmark Statements, QAA initiates regular reviews of their content, five years after first publication, and every seven years subsequently.

² The Quality Code, available at www.qaa.ac.uk/assuring-standards-and-quality/the-quality-code, aligns with the *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, available at: www.engq.eu/wp-content/uploads/2015/05/ESG_endorsed-with-changed-foreword.pdf.

³ Part A: Setting and Maintaining Academic Standards, available at: www.qaa.ac.uk/assuring-standards-and-quality/the-quality-code/quality-code-part-a.

⁴ Individual Chapters are available at: www.qaa.ac.uk/assuring-standards-and-quality/the-quality-code/quality-code-part-b.

⁵ See further Part A: Setting and Maintaining Academic Standards, available at: www.qaa.ac.uk/assuring-standards-and-quality/the-quality-code/quality-code-part-a.

Relationship to legislation

Higher education providers are responsible for meeting the requirements of legislation and any other regulatory requirements placed upon them, for example, by funding bodies. The Quality Code does not interpret legislation nor does it incorporate statutory or regulatory requirements. Sources of information about other requirements and examples of guidance and good practice are signposted within the Subject Benchmark Statement where appropriate. Higher education providers are responsible for how they use these resources.⁶

Equality and diversity

The Quality Code embeds consideration of equality and diversity matters throughout. Promoting equality involves treating everyone with equal dignity and worth, while also raising aspirations and supporting achievement for people with diverse requirements, entitlements and backgrounds. An inclusive environment for learning anticipates the varied requirements of learners, and aims to ensure that all students have equal access to educational opportunities. Higher education providers, staff and students all have a role in, and a responsibility for, promoting equality.

Equality of opportunity involves enabling access for people who have differing individual requirements as well as eliminating arbitrary and unnecessary barriers to learning. In addition, disabled students and non-disabled students are offered learning opportunities that are equally accessible to them, by means of inclusive design wherever possible and by means of reasonable individual adjustments wherever necessary.

⁶ See further the *UK Quality Code for Higher Education: General Introduction*, available at: www.qaa.ac.uk/publications/information-and-guidance/publication/?PubID=181.

About this Subject Benchmark Statement

This Subject Benchmark Statement refers to bachelor's degrees with honours in Accounting.⁷

This version of the statement forms its third edition, following initial publication in 2000 and review and revision in 2007.⁸

Note on alignment with higher education sector coding systems

Programmes of study which use this Subject Benchmark Statement as a reference point are generally classified under the following codes in the Joint Academic Coding System (JACS).⁹

N400 (Accounting)
N410 (Accountancy)
N411 (Cost & management accountancy)
N412 (Public accountancy)
N420 (Accounting theory)
N422 (Financial reporting)
N490 (Accounting not elsewhere classified)

Summary of changes from the previous Subject Benchmark Statement (2007)

The Statement was reviewed by the same group which reviewed the statement for Finance. At the start of the review process the group considered and rejected the option of combining the statements for Accounting and Finance. The two Statements remain aligned as far as that is deemed appropriate.

The Statement retains a description of both the typical as well as the threshold standard for Bachelor's degrees in the subject.

The review group considered that extensive changes were not needed to the Statement, an approach endorsed by the consultation.

Primarily changes have been made to Section 6 to clarify the terminology used in defining the threshold standard, in particular ensuring that this more accurately reflects the level of achievement appropriate for an honours degree. The word 'basic' in the previous statement was deemed unhelpful in conveying the threshold standard.

The section on teaching, learning and assessment (Section 5) does not detail specific examples of methods of teaching or assessment (in contrast with many Subject Benchmark Statements). The review group carefully considered this approach, set out in the previous version of the Statement, and determined that as no particular activities for learning, teaching or assessment are uniquely suited to Accounting a list, which could never be exclusive, was unhelpful in the context of this specific Statement.

⁷ Bachelor's degrees are at level 6 in *The Framework for Higher Education Qualifications in England, Wales and Northern Ireland* and level 10 in *The Framework for Qualifications of Higher Education Institutions in Scotland*, as published in *The Frameworks for Higher Education Qualifications of UK Degree-Awarding Bodies*, available at: www.qaa.ac.uk/assuring-standards-and-quality/the-quality-code/qualifications.

⁸ Further information is available in the *Recognition Scheme for Subject Benchmark Statements*, available at: www.qaa.ac.uk/publications/information-and-guidance/publication?PubID=190

⁹ Further information about JACS is available at: www.hesa.ac.uk/content/view/1776/649/.

Suggestions for making reference to particular forms of capital, such as intellectual property, were also considered, but given the range of matters which accountancy graduates need to know about, it was considered inappropriate to make specific mention in the Statement.

1 Defining principles

1.1 This Subject Benchmark Statement is intended to cover programmes of study in Accounting at higher education providers in the UK leading to the award of an honours degree.

1.2 The study of Accounting involves the consideration of both conceptual and applied aspects of the subject. The term 'conceptual' is intended to include theoretical considerations - a programme without a substantive study of theoretical considerations underlying accounting cannot be considered to meet the minimum requirements of an undergraduate degree programme. Neither can one that neglects applied aspects of accounting.

1.3 Degree programmes in the subject area of accounting usually have titles such as 'accountancy', 'accounting', 'accounting and finance' or 'accounting and financial management'. Most degree programmes with substantial accounting content also include some Finance. This Subject Benchmark Statement also covers Accounting programmes including a significant proportion of Finance. It does not cover single honours degrees in Finance; these are covered by a separate Subject Benchmark Statement.

1.4 Some programmes with titles other than those indicated can sensibly be evaluated relative to this Subject Benchmark Statement. It is the responsibility of an individual higher education provider to relate any pathway within a degree programme to the appropriate Subject Benchmark Statement(s).

1.5 Accounting can be studied as part of a joint programme in combination with related or unrelated disciplines (for example, titles of the form 'accountancy and a modern language', 'accounting and computer science', 'accounting and economics', 'accounting and law', and 'accounting and management'). In such cases, this Subject Benchmark Statement should be applied in conjunction with others relating to the joint programme. In the case of combined programmes, the scope, depth and balance of concepts and application should not result in a neglect of either the conceptual or the applied aspects of Accounting.

1.6 Students follow a programme of study leading to a degree in Accounting for a variety of reasons. For example, some students intend to pursue a professional accountancy qualification on graduation. However, a degree in Accounting is neither a necessary nor a sufficient condition for progress towards a professional qualification and the content of degrees is not prescribed by professional bodies. Some students consider the degree programme to provide a useful introduction to the worlds of accountancy practice, commerce, industry and finance, and the public sector. Some students study accounting predominantly as an intellectual pursuit. Given this variety of reasons, it is to be expected that degree programmes in the subject will have a range of aims.

2 Nature and extent of Accounting

2.1 Accounting as a degree subject requires students to study how the design, operation and validation of accounting systems affect, and are affected by, the development of accounting theory, individuals, organisations, information technologies, markets, society and the environment. This study is informed by perspectives from the social sciences. Such perspectives may be derived from, but are not restricted to, disciplines such as economics, information systems, politics, psychology and sociology. As indicated in Section 1, Accounting is often studied in combination with a significant amount of finance. Under such circumstances, degree structures also require the study of the operation and design of financial systems, risk, financial structures, and financial instruments.

2.2 Accounting is concerned with the provision and analysis of information for a variety of decision making, accountability, managerial, regulatory and resource allocation purposes. Degrees covered by this Subject Benchmark Statement will differ in the extent to which they are affected by the requirements of the various professional accountancy bodies in the UK and elsewhere.

3 Subject-specific knowledge and skills

3.1 Paragraph 3.2 specifies subject-specific knowledge and skills that are outcomes of successful completion of an Accounting degree programme. Associated with each item is a set of examples, given in parentheses. The examples are given to illustrate the outcomes of an Accounting degree, not to act as a set of prescriptions. It is not intended that degree programmes include all of the examples and most degree programmes will include additional learning outcomes. Accounting can be studied from the perspective of different jurisdictions. The choice of jurisdiction(s) is a matter for the individual higher education provider.

3.2 On completion of a degree covered by this Subject Benchmark Statement, a student is generally expected to have the following subject-specific knowledge and skills.

- i Knowledge of the contexts in which accounting can be seen as operating (examples of contexts include the legal, ethical, social and natural environment; the accountancy profession; the business entity; the capital markets; the public sector) and why accounting is valuable in these contexts, although it would not be expected that detailed coverage of all contexts is required.
- ii Knowledge of the main current technical language and practices of accounting (for example, recognition, measurement and disclosure in financial statements; managerial accounting; auditing; taxation) in a specified socio-economic domain.
- iii Knowledge of possible alternative technical languages and practices of accounting (for example, alternative recognition rules and valuation bases, accounting rules followed in other socio-economic domains, alternative managerial accounting approaches to control and decision making).
- iv Skills in recording and summarising transactions and other economic events; preparation of financial statements; analysis of the operations of business (for example, decision analysis, performance measurement and management control); financial analysis and projections (for example, analysis of financial ratios, discounted cash flow analysis, budgeting, financial risks) and an awareness of the contexts in which accounting data and information is processed and provided within a variety of organisational environments and the relationships with other systems providing information in organisations.
- v Knowledge of contemporary theories and empirical evidence concerning the operation and effects of accounting, including detailed coverage of at least one of its contexts and an awareness of others (for example, accounting and accountability; accounting and corporate governance; accounting and capital markets; accounting and the firm; accounting and the public sector; accounting and society; accounting and sustainability; auditing), and the ability to critically evaluate such theories and evidence.
- vi An awareness of issues of financial management, risk and the operation of capital markets. In cases of degrees with significant finance content see the Subject Benchmark Statement for finance.

4 Cognitive abilities and generic skills

4.1 On completion of a degree programme covered by this Subject Benchmark Statement, a student is generally expected to have acquired skills and abilities in the following areas.

- i Critical evaluation of arguments and evidence.
- ii Independent and self-managed learning.
- iii Analysis, filtering and evaluation of data and drawing reasoned conclusions concerning structured and, to a more limited extent, unstructured problems from a given set of data and from data acquired by the student.
- iv Location, extraction and analysis of data from multiple sources, including acknowledging and referencing sources.
- v Numeracy, including the processing and analysis of financial and other numerical data and the appreciation of statistical concepts at an appropriate level.
- vi Using contemporary information and communications technology for the acquisition, analysis and communication of information.
- vii Communication, including presenting quantitative and qualitative information, together with analysis, argument and commentary, in a form appropriate to the intended audience, and oral as well as written presentation.
- viii Working with others (such as through small group projects).

5 Teaching, learning and assessment

5.1 It is the responsibility of each higher education provider offering a degree programme in Accounting to select a set of teaching, learning and assessment activities that is appropriate for meeting the aims and desired outcomes of the programme. Whatever set of activities is determined, providers will be able to demonstrate (for all pathways through the degree programme leading to the award of a degree in Accounting) how these activities enable students to achieve the subject-specific knowledge and skills set out in Section 3 and the cognitive abilities and generic skills set out in Section 4.

5.2 No one set of teaching and learning activities is uniquely suited to the study of accounting independent of the context of the degree programme. The design of such activities takes into account:

- the need to achieve an appropriate balance between the conceptual (including theoretical) and applied aspects of the subject
- the extent to which the degree programme reflects current research and contemporary debate in the subject
- the nature of the student population addressed by a particular provider (for example, predominantly full-time or sandwich students; mainly part-time students currently in employment; level of relevant experience; countries of origin)
- the mode of delivery (for example, full and part-time, sandwich, modular, distance, and blended learning).

5.3 No single form of assessment activity is uniquely appropriate for evaluating student achievement on degree programmes in Accounting. Programmes involve a suitable balance and mix of assessment activities to allow and require students to demonstrate not only their understanding of the conceptual and applied aspects of accounting but also the cognitive abilities and non-subject specific skills they have developed as a consequence of their studies. Also, they reflect the consideration given to the balance between formal and informal, summative and formative assessment activities and other forms of non-assessed experiences that together contribute to the development of an accounting graduate.

5.4 The balance and mix of assessment activities take into account the effectiveness and reliability of the chosen activities in providing indicators of individual performance in terms of the outcomes indicated in Sections 3 and 4.

5.5 Where appropriate the design of teaching and learning activities, together with associated assessment activities, can usefully be informed by current pedagogical developments and research in these areas. Also, regular reviews can usefully be undertaken to ensure that such activities remain 'fit for purpose' in achieving the desired outcomes of the programme with respect to this benchmarking statement.

6 Benchmark standards

6.1 The following presents the minimum standards of achievement that warrant the award of an honours degree - the threshold level of achievement to be matched or exceeded by all graduates. Also identified are ways in which 'typical' students can distinguish themselves from 'threshold' students.

6.2 Evidence of achievement with respect to many of the learning outcomes of an accounting degree programme is likely to be spread across several units, courses or modules making up the programme. At present, the award and classification of degrees at any degree-awarding body will depend on that institution's rules and procedures. These rules and procedures are usually based on an individual student's profile of achievement across the units, courses or modules taken as part of the degree programme. The rules and procedures often incorporate provisions for condoning or compensating failures on specific units, courses or modules. They also have the effect of trading off achievement levels for particular learning outcomes against relative lack of achievement in respect of other learning outcomes.

6.3 It is not the purpose of this Subject Benchmark Statement to specify rules and procedures for classifying accounting degrees. However, if the achievement of specific learning outcomes is not shown directly by passing individual units, courses or modules, degree-awarding bodies need to be able to demonstrate how evidence is gathered, across the whole range of assessment activities, to support each decision to make an award.

6.4 The identification of the threshold standards in paragraph 6.7 is intended to represent the minimum standards of achievement consistent with the award of an honours degree in Accounting by a degree-awarding body within the UK. This does not, however, preclude a degree-awarding body within the UK from setting higher standards for the award of an honours degree in Accounting within the aspects of performance identified in paragraph 6.7. Nor does it preclude such a body from requiring additional aspects of performance, relative to those identified in paragraph 6.7, for the award of an honours degree in Accounting.

6.5 In describing attainment, the following two dimensions are identified.

- Knowledge and understanding - reasonable knowledge and understanding is characterised by knowledge of a topic in outline, together with an understanding that demonstrates some ability to make comparisons and critical evaluations. By way of contrast, thorough knowledge and understanding is characterised by knowledge and understanding of facts and material presented to the student, together with further knowledge and understanding gained by the student's own discovery and synthesis. Graduates with thorough knowledge and understanding can be expected to display higher levels of argument and critical evaluation.
- Cognitive abilities and skills - levels of attainment are characterised by achieving a minimum level of proficiency in the ability or skill. Graduates with a threshold level of attainment can be expected to perform well in straightforward, structured, situations. Graduates with high levels of cognitive abilities and skills can also perform well in complex situations.

6.6 A situation is described as 'straightforward' if there are few items of data and the relationships among them are restricted to the principal factors under consideration in a particular topic. By way of contrast, complex situations are characterised by many items of data, multiple relationships, extraneous data and, frequently, a mix of qualitative and quantitative criteria to be applied.

6.7 Threshold graduates will be able to:

- i demonstrate reasonable knowledge of some of the contexts in which accounting operates
- ii demonstrate reasonable knowledge and understanding of, and an ability to use, current technical language to describe practices of accounting and an ability to apply them in straightforward structured situations from given data generated for the purpose
- iii demonstrate reasonable knowledge and understanding of some alternative technical language and practices and, where relevant within the context of a particular degree programme, an ability to apply them in straightforward structured situations from given data generated for the purpose
- iv with reasonable accuracy, record and summarise straightforward transactions and other economic events and prepare financial statements complying in outline with relevant regulatory requirements
- v analyse the operations of a business and perform straightforward financial analyses and projections; and demonstrate a reasonable awareness of the contexts in which accounting data and information is processed and provided within a variety of organisational environments, and the relationships with other systems providing information in organisations
- vi demonstrate reasonable knowledge and understanding of theories and empirical evidence concerning the effects of accounting in at least one of its contexts
- vii demonstrate reasonable awareness of issues of financial management, risk and the operation of capital markets. In cases of degrees with significant finance content see the Subject Benchmark Statement for Finance for required levels of knowledge and understanding
- viii demonstrate possession of the required cognitive abilities and non-subject specific skills to a reasonable level of achievement.

6.8 Typical graduates can distinguish themselves from threshold graduates by displaying a thorough knowledge and understanding and enhanced technical abilities. They can also demonstrate an enhanced capacity to develop and apply critical, analytical and problem-solving abilities and skills. However, typical graduates are not expected to distinguish themselves from threshold graduates on all the aspects of performance identified in paragraph 6.7.

Appendix: Membership of the benchmarking and review groups for the Subject Benchmark Statement for accounting

Membership of the review group for the Subject Benchmark Statement for accounting (2014)

Higher education provider representatives

Professor Joan Ballantine	University of Ulster
Professor Vivien Beattie	Lancaster University
Professor John Cullen	University of Sheffield
Dr Peter Green	University of Ulster
Professor Pru Marriott	University of Winchester
Professor Andrew Marshall	University of Strathclyde
Professor Christopher Napier	Royal Holloway, University of London
Professor Andrew Stark (Chair)	University of Manchester
Dr Greg Stoner	University of Glasgow
Wilma Teviotdale	University of Huddersfield
Dr Carolina Valiente	London South Bank University
Professor Martin Walker	University of Manchester
Professor John Wilson	University of St Andrews

Professional, statutory and regulatory body representatives

Professor Mark Allison	ICAS
Judy Dimmock	ICAEW

Employer representatives

Ian Beaumont	BDO
Oliver Bryden	Yorkshire Building Society
Matthew Laretta	Intellectual Property Office
Karen Lewchenko	Just Audit Limited
Daniel Perry	Park House Healthcare Ltd

Student reader

Alexa-Jane Moore	University of Worcester
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HEA Discipline Lead

Lynn Vos	(formerly) Higher Education Academy
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QAA Officer

Dr Tim Burton	Quality Assurance Agency for Higher Education
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Membership of the review group for the Subject Benchmark Statement for accounting (2007)

Details provided below are as published in the Subject Benchmark Statement for accounting (2007)

Julia Attridge	Chartered Institute of Public Finance and Accountancy
Professor Christopher Napier	University of Southampton
Professor Mike Page (Chair)	University of Portsmouth
Professor Andrew Stark	The University of Manchester
Professor Pauline Weetman	Strathclyde University

Membership of the original benchmarking group for accounting (2000)

Details provided below are as published in the original Subject Benchmark Statement for accounting (2000)

Professor V Beattie	University of Stirling
Professor J Broadbent	Royal Holloway and Bedford College, University of London
Professor P Draper	University of Edinburgh
Professor C Drury	University of Huddersfield
K Harrison	Sheffield Hallam University
Dr U Lucas	University of the West of England, Bristol
Professor C Napier	University of Southampton
Professor M Page	University of Portsmouth
Professor M Pendlebury	University of Wales, Cardiff
Professor A Sangster	Open University
M Simpson	Middlesex University
Professor A Stark (Chair)	University of Manchester
Professor M Walker	University of Manchester
M Walsh	Association of Chartered Certified Accountants

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