



Pearson
Edexcel

Examiners' Report
Principal Examiner Feedback

Summer 2024

Pearson Edexcel International GCSE
in Accounting (4AC1/01)
Paper 1: Accounting to Bookkeeping and
Accounting

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General

Centres are to be congratulated on their preparation of students for the June 2024 IGCSE accounting examination. I saw many excellent candidate scripts and well-prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

As will be seen from my detailed comments below, there continues to be issues around the inclusion of incorrect dates and narratives in ledger accounts, a very important area of bookkeeping and accounting. Centres are advised to concentrate on this when preparing students for examination.

Questions requiring a discursive response continued to show signs of improvement but students need to be aware of the importance of developing identified points when asked to explain an issue.

Report on individual questions

Section A

Questions 1 – 10

The multiple-choice questions included questions across the full range of the syllabus. It is important that students carefully read the whole question before selecting their response, though it was pleasing to note that once again, a number of candidates were gaining up to 80% correct answers.

Question 11

Candidates were required to complete a table to state the source document for five transactions. Surprisingly, some candidates identified five books of prime entry rather than five source documents highlighting the need to read questions carefully. Well-prepared candidates gained all five available marks.

Question 12

Candidates were required to complete a tick box to indicate whether five items were classified as capital expenditure or revenue expenditure. Many candidates gained four of the five available marks with most failing to correctly identify extended warranty as a revenue expense.

Question 13

(a) Candidates were provided with details of a business's trade receivables and provision for irrecoverable debts and were required to prepare a journal entry to write off a specific irrecoverable debt. Many candidates were awarded two marks for a totally correct journal entry.

(b) Required candidates to calculate the change in the provision for irrecoverable debts. It was noticeable that some candidates had not read the question and they simply calculated the closing provision without showing either the change or whether it represented an increase or a decrease.

Section B

Question 14

(a) Provided with details of a credit customer's balances and transactions, candidates were required to prepare the customer's account in the trade receivables ledger. There were several totally correct answers to the question and it was pleasing to note a vast improvement in this over similar questions in past papers.

(b) Required completion of a trade receivables ledger control account from data provided that also included items not referring to this particular control account. The question provided good differentiation with, once again, some candidates demonstrating poor double entry skills. As I have recorded in previous examination reports, several candidates used incorrect labelling in the details column and I cannot stress strongly enough the importance of correct labelling of entries in any double entry account. The most common error has always been failure to correctly label cash received from customers as bank. The entry should always refer to where the other half of the double entry comes from.

(c) Following preparation of the control account, candidates were required to explain one reason why a contra entry may arise. Answers were very mixed and often too vague to be rewarded.

Question 15

(a) Candidates were provided with a full list of nominal ledger balances and were required to prepare the trial balance. Many well-prepared candidates prepared a totally correct trial balance and the majority were awarded at least nine of the eleven available marks. The most common errors were to place equity and the bank accounts on the wrong side of the trial balance.

(b) Candidates were required to explain two advantages of preparing a trial balance. Most candidates were able to refer to the identification of errors though in many cases, their second advantage was rather vague and often just a re-wording of their first advantage.

Question 16

The question focussed on the cash book and bank reconciliations.

(a) Asked candidates to prepare the updated cash book to account for transactions that had been omitted from the cash book. The question was generally well answered though as I have commented previously, there was again evidence of poor double entry skills from some candidates along with frequent poor labelling of entries causing loss of marks.

(b) Required candidates to prepare a bank reconciliation statement. I saw a full range of marks for this task with some demonstrating little knowledge of the structure of a bank reconciliation statement whilst others gained full marks for a totally correct answer. As previously reported, correct labelling is important if full marks are to be awarded.

(c) Candidates were required to explain two benefits to a business of preparing a bank reconciliation statement. Whilst there were several very good answers, the main

criticism was a lack of clarity in some responses and a lack of development of a valid point identified.

Question 17

The question focussed on journal entries.

(a) Candidates were presented with a list of assets and liabilities at the commencement of a new business and were required to prepare an opening journal entry. This once again demonstrated a lack of basic double entry skills for some less well-prepared candidates. Several candidates correctly recorded the five items provided but failed to complete the journal by recording the balance as the opening equity.

(b) Details were provided of four errors that had occurred in the books at the end of the first year of trading and candidates were required to prepare journal entries to correct the errors. Whilst there were a number of totally correct answers, there was further evidence of the lack of double entry knowledge – an essential skill of bookkeeping and accounting.

Question 18

The final question focussed on the preparation of nominal ledger accounts.

(a) Data was provided for the opening and closing balances of wages together with the amount paid during the year and candidates were required to prepare the wages account for the year. Whilst the amounts were frequently entered correctly, labelling of the entries was again often a problem. Candidates must be aware that an expense account will always have a credit entry to the income statement – this was often omitted.

(b) Further data was provided for the opening and closing balances of rent receivable together with the amounts received during the year and candidates were required to prepare the rent receivable account for the year. Exactly the same comments applied to this task as in the previous task as regards labelling.

Candidates appeared to find dealing with income more challenging than dealing with expenses though the principles involved are exactly the same.

(c) Having been provided with data for the purchase and sale of motor vehicles during the year candidates were required to prepare the motor vehicles – provision for depreciation account. Many candidates found this task challenging and again, I have to reference weak double entry skills and poor labelling by many candidates. On the positive side, well-prepared candidates frequently calculated correct figures for all of the entries.

(d) The final question required candidates to explain with reference to an accounting concept, why it is necessary to account for depreciation on non-current assets. Most candidates correctly identified the prudence or matching/accruals concept and there were generally good explanations to complete their answer and be awarded both of the available marks.

Points for future sessions

I repeat several important points from previous reports for future guidance

- Read each question carefully, particularly the multiple choice questions where students have to make a choice of responses.
- When preparing books of original entry or ledger accounts it is important to include correct dates and narratives in order to gain the marks available. This was once again a particular weakness in this examination.
- When responding to questions which require prose responses students should ensure that they have read the scenario given and always provide development to support any points made.
- When dealing with evaluation questions students should always provide a conclusion which sums up and supports their findings.

- When dealing with explain questions, candidates must always offer development of an identified point in order to gain all of the available marks.

Grade Boundaries

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