Examiners' Report
Principal Examiner Feedback

Summer 2024

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

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General

Centres are once again 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.

However, 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 in order to maximise candidates' grades.

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 an invoice for the sale of two items. They were then required to calculate the trade discount of 10% and several candidates were able to gain all five available marks for the question. The most common mistake was a failure to enter the correct date for the invoice.

Question 12
(a) Candidates were provided with data covering four transactions with credit suppliers and were required to prepare the purchases day book and the purchases returns day book. The task was not well answered by many candidates with several failing to adjust the total invoice amounts by the trade discount and many failing to label the total of each book.

Question 13

(a) The majority of candidates correctly identified the book of account used to record an irrecoverable debt written off.

(b) Required candidates to state the double entry to (i) write off an irrecoverable debt and (ii) to create a provision for irrecoverable debts. Results were very mixed with better responses for part (i) than part (ii).

Section B

Question 14

(a) Asked candidates to state two reasons why a business may offer a trade discount to customers. Whilst most candidates correctly identified bulk buying as one reason, some struggled to come up with a second reason.

(b) 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. Candidates found this task challenging and whilst there were several totally correct answers others struggled to correctly label transactions in the accounts and there were a few examples of total reversal of transactions.

(c) Candidates were required to state two benefits of offering cash discounts to credit customers. Many candidates stated that it would encourage prompt payment and better candidates offered that it would reduce the chances of irrecoverable debts as their second benefit.

Question 15

(a) Candidates were required to state two purposes of a trial balance and most candidates were able to gain both available marks by referencing the arithmetical accuracy and assisting in preparing financial statements.

(b) Asked to state the name of the account opened when the trial balance does not balance also resulted in almost 100% correct answers.

(c) Candidates were provided with list of four errors and required to prepare journal entries to correct the errors and to state the type of errors involved. The question was well answered by many candidates who also recognised the type of error in the majority of cases.

Question 16

The question focussed on control accounts..

(a) 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. Apart from that issue, 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) Candidates were required to state two benefits to the trader's business of preparing a trade receivables ledger control account and advise whether he should continue to do so. The results were quite mixed although well-prepared candidates gained a minimum of four of the available five marks. Lower marks were awarded where candidates failed to offer sufficient development to the points they identified and some candidates failed to gain the final mark by failing to offer the required advice.

Question 17

The question focussed on the cash book and bank reconciliation.

(a) Data was provided of transactions that had not been recorded in the cash book and also details of unpresented cheques and uncredited bankings. Candidates were required 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 there was again evidence of poor double entry skills from some candidates along with poor labelling of entries.

(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.

(c) Candidates were required to state two benefits to the trader's business of preparing a bank reconciliation statement each month and advise whether he should continue to do so. Whilst many candidates were able to identify two benefits, few were able to offer sufficient development to gain additional marks.

Question 18

The final question focussed on non-current assets.

(a) Candidates were required to state two factors causing non-current assets to depreciate and most candidates were able to gain both of the available marks.

(b) Candidates were required to define each term, capital expenditure and revenue expenditure. Responses often lack sufficient detail to gain more than one mark each, but others provided very extensive and accurate definitions to gain all available marks.

(c) Candidates were required to calculate the depreciation charge for the year using (i) straight line method at 20% per annum and (ii) reducing balance method at 20% per annum. Whilst a few candidates mixed up the two methods the question was well answered by the majority.

(d) Having been provided with data for the purchase of machinery during the year candidates were required to prepare the machinery – 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 one reason why the accruals/matching concept applies when depreciating non-current assets. As is often the case when asked to explain, several candidates were restricted to one mark only by offering insufficient development to the point identified, whereas well prepared candidates offered full and correct explanations.

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

Grade boundaries for this, and all other papers, can be found on the website on this link:http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx