

Examiners' Report/  
Principal Examiner Feedback

January 2015

Pearson Edexcel International GCSE  
in Accounting (4AC0) Paper 01

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Overall the standard of scripts was similar to that of previous sittings. As indicated in previous reports the paper can test all of the specification and Centres have to prepare candidates for all types of questions and try to avoid the temptation to only teach parts of the specification in the belief that this will be adequate to ensure success. Where candidates were able to score well was in questions which were routine in nature or required the presentation of financial statements such as a manufacturing account.

## **Section A**

### **Questions 1 - 10**

The multiple choice questions provided a good indicator of candidate performance in the rest of the paper. Many candidates scored well in all the questions but weaker candidates found the questions which required more analytical skills difficult. However there were several candidates who successfully scored full marks in this section and are to be commended for their efforts.

### **Question 11**

- (a) Candidates were required to show the opening journal entry for a new business. The responses to this task were disappointing overall with many candidates clearly not understanding the requirements of the task.
  
- (b) Candidates were required to produce a petty cash book from given data and balance the book at the end of the month. Although the majority of candidates were able to deal correctly with basic payments very few were able to balance the book correctly as required by the task.

### **Question 12**

- (a) Candidates were required to calculate the sales figure from incomplete data. Overall this was well answered by most candidates with the majority producing a control account.
  
- (b) Candidates were required to calculate the purchases figure from incomplete data. The main problem here was in the incorrect treatment of the cash discount received from credit suppliers.
  
- (c) Candidates were required to produce a trading account using their responses to (a) and (b). Overall this will well answered by the

majority of candidates with weaker candidates confusing the opening and closing stock figures and failing to label gross profit correctly.

- (d) Candidates were required to calculate the rate of stock turnover for the business which caused few problems for most candidates.
- (e) Candidates were required to evaluate the change in the rate of stock turnover over a three year period. As with other sittings candidates found this difficult but there were some candidates who were clearly well prepared for this type of question and consequently produced responses of a high standard.

### **Question 13**

- (a) Candidates were required to produce an appropriation account for a limited company from given data. The standard of responses was variable with several candidates scoring full marks. The most common error was the incorrect calculation of the final dividend and including the full amount of the general reserve.
- (b) Candidates were required to produce a balance sheet from given data. The majority of candidates were able to score well in this task with the most common error being in the completion of the capital section and the location of the long term liabilities.

### **Question 14**

- (a) Candidates were required to prepare a manufacturing account from given data. The majority of candidates were able to score some marks here with weaker candidates dealing incorrectly with direct costs and indirect costs.
- (b) Candidates were required to calculate the return on capital employed from given data and evaluate the significance of the ratio while stating their opinion as to whether the business is operating efficiently or not. As with other questions of this nature well prepared candidates were able to provide some good opinions as to how efficient or otherwise the business is operating and provide examples of evidence to support their opinions.

**Question 15**

Candidates were required to complete three ledger accounts from given data, one being an asset account, and the other two being related to depreciation and the disposal of an asset.

Well prepared candidates were able to score well here through their demonstration of their knowledge and application of double entry principles. Weaker candidates struggled to understand the requirements of the task, particularly in relation to the entries necessary for the disposal account. Candidates also lost marks through incorrect narratives in the depreciation account and not dealing correctly with the balancing off of the accounts as required by the question.

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