



Pearson

Examiner's Report Principal Examiner Feedback

Summer 2018

Pearson Edexcel International GCSE
In Accounting (4AC0)

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General comments

Centres are to be congratulated on their preparation of candidates for the June 2018 IGCSE accounting examination. Throughout the paper candidates were able to demonstrate their knowledge and understanding of bookkeeping and accounting which is pleasing.

There continues to be issues around the inclusion of incorrect dates and narratives in ledger accounts but there is some indication that there is some improvement in this area.

The evaluation of business scenarios demonstrated some improvement but still proves challenging for centres and candidates, centres are advised to concentrate on this area when preparing students for examination.

Comments on specific questions

Section A

Questions 1 - 10

As usual the multiple-choice questions provided a good indicator of candidate performance in the rest of the paper. It is important that candidates read carefully the whole question before selecting their response. This was important in Q3 and Q10 where the question required candidates to consider all the given data in order to reach the correct response.

Section B

Question 11

- (a) Candidates were required to prepare a set of ledger accounts from given data which included day books. The majority of candidates were able to score well in this task with the most common error being the incorrect narratives which continues to be a problem. With control accounts the correct narrative should indicate which book the information has been posted from e.g. sales day book. The most common error was the incorrect treatment and calculation of cash sales which should have been shown in the sales account at the net figure not the gross figure.

- (b) Candidates were required to evaluate the benefits to a business of maintaining a sales ledger control account. As with all evaluate questions candidates should try where possible to relate their responses to the given scenario and avoid presenting generic responses. Also in evaluate questions both sides of the discussion need to be given in order to access all the available marks. Many candidates were able to identify the reasons for maintaining a sales ledger control account but were unable to develop their response adequately.

Question 12

- (a) Candidates were required to calculate the opening capital from a given data set which proved to be well done by the majority of candidates.
- (b) Candidates were required to calculate total sales from a given data set which was well done by the majority of candidates. Most candidates approached this by the production of a control account which proved most effective in arriving at the correct response.
- (c) Candidates were required to calculate total purchases from a given data set which was well done by the majority of candidates. As in (b) most candidates approached this by the production of a control account which proved most effective in arriving at the correct response. The most common error was the omission or incorrect treatment of the discount received from the suppliers.
- (d) Candidates were required to prepare an income statement (trading and profit and loss account) from given data and using their responses to (b) and (c). There were many candidates who were able to complete the task correctly and score full marks with the most common error being in the incorrect calculation of the electricity which had two adjustments to the base figure. As with (c) several candidates failed to take account of the discount received which should have been added to gross profit.

Question 13

- (a) Candidates were required complete a table to show the correct formula for three ratios together with the calculation of these for two years. This task was well done by the majority of candidates with the most common error being the omission of the notation in the final responses.
- (b) Using their responses from (a) candidates were required to evaluate the profitability of a business and a statement which had been made by the business's managing director. Marks were awarded for comments on each ratio which candidates were able to provide easily. As with all evaluative questions it is necessary to provide some form of concluding statement either agreeing or disagreeing with the provided statement.
- (c) Candidates were required to identify one liquidity ratio which was well done by the majority of candidates.

Question 14

- (a) Candidates were required to prepare ledger accounts to show both capital and drawings from a given data set. In general this was well answered with many candidates able to complete the task correctly and score full marks. The most common error was in the treatment of the stock drawings which required students to use the mark up to arrive at the correct figure of £400. Marks were also lost where candidates attempted to balance off the drawings account where the final figure should have been transferred to the capital account.
- (b) Candidates were required to identify the correct accounting concept for each of three given scenarios. This was well answered by most candidates.

Question 15

(a) Candidates were required to state two advantages and two disadvantages to a sole trader of forming a partnership. candidates were well prepared for this type of question and the majority were able to score full marks.

(b) Candidates were required to describe the changes to a business's accounting system in the event of a partnership being formed. This question proved challenging for some candidates but there were some good responses with full marks being scored. As with all questions it is important for candidates to consider the command word before starting their response. In this case candidates were required to describe so it was not sufficient to simply state the changes, responses needed to be developed.

Points for future sessions

- Read each question carefully, particularly the multiple-choice questions where candidates have to make a choice of responses.
- When preparing books or original entry or ledger accounts it is important to include correct dates and narratives in order to gain the marks available.
- In the preparation of any financial statements clear presentation is important in order to allow the candidates to gain the marks available.
- When responding to questions which require prose response candidates should ensure that they have read the scenario given and always provide evidence to support any points made.
- When dealing with evaluation questions candidates should always attempt to reach a conclusion which sums up and supports their findings.

