



Examiners' Report
Principal Examiner Feedback

January 2019

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

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General comments

Centres are to be congratulated on their preparation of students for the January 2019 IGCSE accounting examination. Throughout the paper students were able to demonstrate their knowledge and understanding of accounting which is pleasing.

There continues to be issues around the inclusion of incorrect dates and narratives in books of original entry and 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 students and 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 student performance in the rest of the paper. It is important that students read carefully the whole question before selecting their response. This was important in Q9 where the question required students to perform calculations to identify the correct response.

Section B

Question 11

(a) Students were required to identify the source document, book of original entry and double entries for a given set of transactions. The majority of students were able to score well in this task with the most common error being the incorrect use of the purchases day book to record the purchase of a fixed asset on credit which should be entered in the journal.

(b) Students were required to prepare a sales ledger control account and show the closing balance. As in previous sittings there were some excellent responses to this but as in previous sessions correct narratives are still a problem for students. 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 inclusion of cash sales which was considered an extraneous item.

Question 12

(a) Students were required to prepare a petty cash book for a business from a given set of transactions. This was well done by the majority of students with the most common error being the incorrect treatment of both the opening and closing balances.

(b) Students were required to prepare a ledger account for travel and show the closing balance. There were some excellent responses to this but as in previous sessions correct narratives are still a problem for students. The correct narrative should indicate which book or account the information has been posted from in this case the petty cash book.

(c) Students were required to name the correct section of the balance sheet the closing balance of petty cash would appear. The identification of the current assets section was stated by most students.

Question 13

(a) Students were required to prepare both a rent and rates account and rent received account for given transactions. There were some fully correct responses to this task demonstrating an excellent knowledge of the double entry principles associated with expense and revenue accounts. As with other questions the most common error here was the incorrect narrative being given, particularly when posting the total for the year to the financial statements.

(b) Students were required to explain the rationale for making adjustments in the rent received account. The responses to this question were variable with weaker students not providing any response. However many students were able to identify that the rationale was based on the accruals concept and were rewarded accordingly.

Question 14

(a) Students were required to prepare a profit and loss appropriation account for a partnership from given data. In general this was well answered with many students able to complete the task correctly and score full marks. As with all financial statements it is important to use the correct labels to help readers of the statement to understand the contents. For this reason it is also essential to avoid the use of abbreviations in the statement.

(b) Students were required to prepare the current account for one of the partners. This was well answered by most candidates with marks being awarded where the student had brought forward their own incorrect figures from (a) but treated them correctly. As with other questions the most common error here was the incorrect narrative being given.

(c) Students were required to explain to the partners the effect of converting their business to a private limited company. Students responded well to this task with many students providing a balanced response which is essential in questions of an evaluative nature

Question 15

(a) Students were required to classify income and expenditure from a given list of items. Whereas the identification of capital expenditure and revenue expenditure was well done by many students only the more able student was able to differentiate between capital receipts and revenue receipts.

(b) Students were required to evaluate the effect on a business's financial statements of the incorrect treatment of capital expenditure and revenue expenditure. This topic has been asked in previous sessions and it is clear that students have been following the guidance given in previous mark schemes and providing a balanced response with good examples to demonstrate their understanding of the two terms.

Points for future sessions

- Read each question carefully, particularly the multiple choice questions where students 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 student to gain the marks available.
- When responding to questions which require prose response students should ensure that they have read the scenario given and always provide a balanced response with evidence to support any points made.
- When dealing with evaluation questions students should always attempt to reach a conclusion which sums up and supports their findings.