

# EDEXCEL INTERNATIONAL GCSE (9-1)

## Accounting 4AC1

GETTING READY TO TEACH

Event code: 17IOAA01

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First teaching in 2017, first assessment in 2019.

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## Aims and Objectives

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During the training you will:

- Consider the structure and content of the new specification.
- Explore possible teaching and delivery strategies.
- Explore the question papers and mark schemes for Paper 1 and Paper 2.
- Learn about the new 9-1 grading scale.
- Find out more about the support available to guide you through these changes.

# Session Agenda

1. Introductions and welcome (Poll)
2. Timeline and introduction to 9-1 grading scale
3. Structure of the new specification
4. What has changed?
5. What students need to learn
5. What has changed?
6. Possible teaching and delivery strategies
7. Paper 1 sample questions & mark scheme
8. Paper 2 sample questions & mark scheme
9. Support & resources
10. Questions?
11. Close

# Timeline

	June & Sept 2017	January 2018	June 2018	January 2019	June 2019	January 2020
<b>Current specification 4AC0</b>	Assessment window	Assessment window	Assessment window	Final assessment window		
<b>New specification 4AC1</b>	First teaching				First assessment	Assessment window

January 2019: last assessment for the International GCSE in Accounting 4AC0.

Summer 2019: first assessment for the International GCSE (9-1) in Accounting 4AC1.

# New 9-1 grading scale

	NEW GRADING STRUCTURE	CURRENT GRADING STRUCTURE
<p>The new <b>grade 9</b> represents a new level of attainment and has been introduced to differentiate your top performing students.</p> <p>The bottom of the <b>grade 7</b> aligns with the bottom of the grade A.</p>	9	A*
	8	
	7	A
<p>There's greater differentiation in the middle of the scale, with <b>grades 6, 5 and 4</b> being equivalent to the old grades B and C.</p> <p>The bottom of the <b>grade 4</b> aligns with the bottom of the grade C.</p>	6	B
	5	C
	4	
<p>The bottom of the <b>grade 1</b> aligns with the bottom of the grade G.</p>	3	D
	2	E
		F
	1	G
	U	U

Click [here](#) for the latest information on the 9-1 grading scale.

# Structure of the International GCSE (9-1) Accounting

	Content overview	Assessment overview
<b>Paper 1:</b> <b>Introduction to Bookkeeping and Accounting</b>	<p>This paper will draw on Topics 1-3.</p> <p><b>Topic 1:</b> The accounting environment  <b>Topic 2:</b> Introduction to bookkeeping  <b>Topic 3:</b> Introduction to control processes</p> <p><b>Section A:</b> 10 x MCQ and 3x short answer questions.  <b>Section B:</b> 5 x multi-part questions</p>	<p>Written examination:</p> <ul style="list-style-type: none"> <li>• 2 hours (120 minutes)</li> <li>• 100 marks</li> <li>• 66.6% of the qualification</li> </ul>
<b>Paper 2:</b> <b>Financial Statements</b>	<p>This paper will draw on Topics 4 &amp; 5.</p> <p><b>Topic 4:</b> The preparation of financial statements  <b>Topic 5:</b> Accounting for end of period adjustments</p> <p>2 x multi-part questions focusing on the preparation, analysis/evaluation of financial statements</p>	<p>Written examination:</p> <ul style="list-style-type: none"> <li>• 1 hour 15 mins (75 minutes)</li> <li>• 50 marks</li> <li>• 33.3% of the qualification</li> </ul>

# The specification

- Knowledge, skills and understanding (specification)
- Assessment (overview of content, exam time, etc.)
- Assessment Objectives (AOs) and weightings
- Transferable skills
- International Accounting Standards Terminology

# ASSESSMENT OVERVIEW

## Paper 1 - Introduction to bookkeeping and accounting

**2 hour written examination**

### **Section A (25 marks)**

10 multiple choice questions (10 marks)

3 short answer questions (5 marks each)

### **Section B (75 marks)**

5 multi part questions (15 marks each)

**TOTAL     100 marks**



# ASSESSMENT OVERVIEW

## Paper 2 - Financial statements

1 hour 15 mins written examination

2 x multi-part questions focusing on the preparation, analysis and evaluation of financial statements

**TOTAL 50 marks**

## ASSESSMENT OBJECTIVES

Assessment Objective	
AO1	Demonstrate a knowledge and understanding of accounting terminology, principles, procedures and techniques
AO2	Select and apply their knowledge and understanding of accounting procedures to a variety of accounting problems
AO3	Analyse, evaluate and present information in appropriate accounting formats and communicate reasoned explanations

All 3 Assessment Objectives are covered in each paper.

# PAPER 1 - CONTENT OVERVIEW

## **Topic 1**

The accounting environment

## **Topic 2**

Introduction to bookkeeping

## **Topic 3**

Introduction to control processes

# PAPER 1 - WHAT STUDENTS NEED TO KNOW

## Topic 1: The accounting environment

1. Types of business organisations
2. Accounting concepts
3. Use of technology in accounting
4. Professional ethics

# PAPER 1 - WHAT STUDENTS NEED TO KNOW

## Topic 2: Introduction to bookkeeping

1. Business documentation
2. Books of original entry
3. Ledger accounting
4. Capital expenditure and revenue expenditure
5. Depreciation
6. Irrecoverable debts
7. Other receivables and payables

# PAPER 1 - WHAT STUDENTS NEED TO KNOW

## Topic 3: Introduction to control processes

1. Trial balance
2. Control accounts (new terminology)
3. Correction of errors
4. Bank reconciliation statements

## PAPER 2 – CONTENT OVERVIEW

### **Topic 4**

The preparation of financial statements

### **Topic 5**

Accounting for end of period adjustments

## PAPER 2 - WHAT STUDENTS NEED TO KNOW

### Topic 4: The preparation of financial statements

1. Financial statements of a sole trader
2. Financial statements of a partnership
3. Incomplete records
4. The calculation and interpretation of accounting ratios
5. Financial statements of a manufacturer



## PAPER 2 - WHAT STUDENTS NEED TO KNOW

### Topic 5: Accounting for end of period adjustments

1. Application of accounting concepts
2. Depreciation
3. Irrecoverable debts
4. Other receivables and payables

## WHAT HAS CHANGED?

- Wider range of topics with the depth students need to know made more explicit.
- 2 paper examination.
- Simplified specification and question papers.
- Improved mark schemes.
- Paper 2 is holistic in nature and builds on the knowledge, understanding and skills covered in Topics 1 – 3 in addition to the content specified in Topics 4 & 5. It is a financial statements paper giving students the opportunity to apply their learning.

## ADDITIONAL TOPICS STUDENTS NEED TO LEARN (1 of 2)

### 1. The accounting environment

- Types of business organisation
- Stakeholders and business
- Accounting concepts
- Use of technology in accounting
- Professional ethics

### 2. Accounting for capital and revenue expenditure

### 3. Understanding and accounting for depreciation

### 4. Accounting for irrecoverable debts

### 5. Accounting for other receivables and payables

## ADDITIONAL TOPICS THAT STUDENTS NEED TO KNOW (2 of 2)

### 6. Introduction to control processes

- Trial balance
- Trade receivables control account
- Trade payables control account
- Bank reconciliation statements

### 7. Preparation of financial statements

- Limited liability partnerships

# Content which has been removed

- VAT
- Non-profit making Organisations
- Limited Company Accounts
- Creditor and Debtor ratios
- Stock Turnover Ratio

# Assessment



# Use of Command words

Command word	Mark Tariff	Assessment Objective	Requirements
(Multiple-choice Question – (MCQ)	1	AO1	There will be ten multiple-choice questions (MCQ) in Paper 1. Candidates must select the correct answer from a choice of four options. These questions are designed to test recall of knowledge from the specification content. (AO1).
State	1	AO1	This requires the recall of one or more pieces of information. One mark per item.
Identify	1	AO1	This requires information to be selected from a range of possibilities, list or given stimulus. One mark per item.
Define	2	AO3	To describe the meaning of an accounting term.
Comment	2	AO3	The answer must include a simple statement based on the scenario and also a summary of why/how that statement is important to the scenario.

# Use of Command words

Command word	Mark Tariff	Assessment Objective	Requirements
Evaluate	2-8	AO3	This will involve reviewing information and then bringing it together to form a conclusion, drawing on evidence including strengths, weaknesses, alternative actions, relevant data or information. A supported judgement/decision will be reached in relation to its context.
Describe	2-6	AO1	The identification of number of steps in process or number of features.
Explain	3-6	AO3	This requires a linked justification/exemplification of a point.
Complete	1	AO1	This requires the completion of a table or structure. This may include a calculation which will then be required to fill the incomplete table/structure. One per step/item.



# Use of Command words

Command word	Mark Tariff	Assessment Objective	Requirements
Prepare	1	AO2	This will involve arranging financial information into an appropriate format. One mark per step/item.
Calculate	1	AO2	This will involve working out a numerical problem using mathematical processes and formulae, showing relevant working. One per step.
Recommend	2-4	AO3	This will involve suggesting a solution/decision by reviewing information from a scenario and providing a justification/exemplification for that choice.
...with examples	+1	AO1	For each relevant example.

# International Accounting Standards (IAS) Terminology

IAS terminology	Previously used UK GAPP terminology
Financial statements	Final Accounts
Statement of Profit or Loss or other Comprehensive Income	Trading, Profit & Loss Account
Revenue	Sales
Cost of sales	Cost of goods sold
Inventory	Stock
Other operating expenses	Sundry expenses
Irrecoverable debts	Bad debts
Provision for irrecoverable debts	Provision for doubtful debts
Finance income	Interest receivable
Profit for the year	Net profit
Retained earnings	Profit/loss balance

# International Accounting Standards (IAS) Terminology

IAS terminology	Previously used UK GAPP terminology
Statement of financial position	Balance sheet
Non-current assets	Fixed assets
Property	Land and buildings
Intangible assets	Goodwill etc
Trade receivables	Debtors
Other receivables	Prepayments
Trade payables	Creditors
Other payables	Accruals
Non-current liabilities	Long term liabilities
Equity	Capital
Carrying value	Net book value

# International Accounting Standards (IAS) Terminology

IAS terminology	Previously used UK GAPP terminology
Gross profit percentage	Gross profit margin
Profit for the year as a percentage of revenue	Net profit margin
Current ratio	Current ratio/working capital ratio
Liquid ratio	Acid test

## Layout for Statement of Profit or Loss for a sole trader and partnership

### Statement of Profit or Loss for the year ended ...

		\$
Revenue		x
Less returns inwards		<u>(x)</u>
		x
<u>Cost of sales</u>		
Opening inventory	x	
Purchases	x	
Goods for own consumption (drawings)	(x)	
Carriage inwards	x	
Less returns outwards	(x)	
Less closing inventory	<u>(x)</u>	
Cost of Sales		<u>x</u>
Gross profit/(Loss)		x/(x)
<u>Other income</u>		
Discounts received	x	
Rent received	x	
Commission received	x	
Decrease in provision for irrecoverable debts	x	
Interest received	<u>x</u>	
		<u>x</u>
		<u>x</u>
<u>Expenses</u>		
Rent and rates	x	
Repairs and maintenance	x	
Insurance	x	
Wages and salaries	x	
Discounts allowed	x	
Lighting and heating	x	
Irrecoverable debts	x	
Increase in provision for irrecoverable debts	x	
Depreciation charge	x	
Motor vehicles repairs	x	
Advertising	<u>x</u>	
		<u>(x)</u>
<b>Profit/(Loss) for the year</b>		<b><u>x/(x)</u></b>

## Layout for Statement of Financial Position for a sole trader

### Statement of Financial Position at ...

	\$	\$	\$
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>	Cost	Accumulated depreciation	Carrying value
Land and buildings	x	(x)	x
Plant and machinery	x	(x)	x
Motor vehicles	x	(x)	<u>x</u>
			x
 <b><u>Current Assets</u></b>			
Inventories (closing)		x	
Trade and other receivables	x		
Provision for irrecoverable debts	<u>(x)</u>	x	
Bank		x	
Cash		<u>x</u>	
			<u>x</u>
 <b>TOTAL ASSETS</b>			<b><u>x</u></b>
 <b><u>Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Opening equity		x	
Additions during the year		x	
Profit/(loss) for the year		x/(x)	
Drawings		<u>(x)</u>	
Total Equity			x
 <b><u>Liabilities</u></b>			
<b><u>Non-current liabilities</u></b>			
Bank loan			x
 <b><u>Current liabilities</u></b>			
Trade and other payables		x	
Bank overdraft		<u>x</u>	
			<u>x</u>
			<u>x</u>
 <b>TOTAL EQUITY AND LIABILITIES</b>			<b><u>x</u></b>

## Layout of the Appropriation Account for Partnerships

### Appropriation Account for the year ended ...

		\$
Profit/(loss) for the year		x(x)
<u>Interest on Drawings:</u>		
A (partner's full name)	x	
B (partner's full name)	x	
C (partner's full name)	<u>x</u>	
		<u>x</u>
		x
<u>Salary:</u>		
A (partner's full name)	x	
B (partner's full name)	x	
C (partner's full name)	<u>x</u>	
		(x)
<u>Interest on Capital:</u>		
A (partner's full name)	x	
B (partner's full name)	x	
C (partner's full name)	<u>x</u>	
		(x)
Profit /(loss) available for distribution		<u><u>x(x)</u></u>
 <u>Share of the Profit/(loss):</u>		
A (partner's full name)		x/(x)
B (partner's full name)		x/(x)
C (partner's full name)		<u>x/(x)</u>
		<u><u>x(x)</u></u>

## Layout for Statement of Financial Position for a partnership

### Statement of Financial Position at ...

	\$	\$	\$
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>	Cost	Accumulated depreciation	Carrying value
Land and buildings	x	(x)	x
Plant and machinery	x	(x)	x
Motor vehicles	x	(x)	<u>x</u>
			<u>x</u>
 <b><u>Current Assets</u></b>			
Inventories (closing)		x	
Trade and other receivables		x	
Provision for irrecoverable debts		<u>(x)</u>	
Bank		x	
Cash		<u>x</u>	
			<u>x</u>
 <b>TOTAL ASSETS</b>			<u><b>x</b></u>
 <b><u>Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
<b><u>Capital accounts</u></b>			
A (partners full name)		x	
B (partners full name)		x	
C (partners full name)		x	
 <b><u>Current accounts</u></b>			
A (partners full name)		x/(x)	
B (partners full name)		x/(x)	
C (partners full name)		<u>x/(x)</u>	
Total Equity			x
 <b><u>Liabilities</u></b>			
<b><u>Non-current liabilities</u></b>			
Bank loan			x
 <b><u>Current liabilities</u></b>			
Trade and other payables		x	
Bank overdraft		<u>x</u>	
			<u>x</u>
 <b>TOTAL EQUITY AND LIABILITIES</b>			<u><b>x</b></u>



# Sample Assessment Materials



# Sample Assessment Material

## Paper 1 - Sample Questions

### Multiple Choice Questions

In the absence of a partnership agreement, which of the following applies to all partners?

- A** they are charged interest on drawings
- B** they receive interest on capital
- C** they receive a salary
- D they share profits and losses equally**

(1 Mark)

## Sample Assessment Material

### **Paper 1 – Section B**

This section contains questions on the new topics, as follows:

- Trade receivables ledger
- Trade payables ledger
- Bank reconciliation statement
- Difference between capital and revenue
- Trial Balance
- Computerised systems
- Stakeholders
- Professional ethics

## Sample Assessment Material

### PAPER 1 – SECTION B (1 of 2)

Question 15(a)

At the end of each month a bank reconciliation is prepared.

Describe **TWO** reasons why it is necessary to do this.

(4 marks)

## Sample Assessment Material

### Question 15(a) ANSWER (Mark Scheme)

Up to 2 marks for each correct reason:

- To identify any differences between the bank balance shown in the cash book (1) and the balance on bank statement (1).
- To aid the identification of errors in the cash book (1) or made by the bank (1).
- To assist in the prevention of fraud (1) by confirming that the items on the bank statement match those in the cash book (1).

## **SAMPLE ASSESSMENT MATERIAL**

### **PAPER 1 – SECTION B (2 of 2)**

State four of the fundamental principles of professional ethics.

(4 marks)

## Sample Assessment Material

### PAPER 1 – SECTION B (2 of 2)

#### ANSWER (Mark Scheme)

1 mark for each correctly identified principle (maximum 4 marks)

- Professional Behaviour (1)
- Professional/technical competence and due care (1)
- Confidentiality (1)
- Integrity (1)
- Objectivity (1)

## Sample Assessment Material

### Paper 2 – Question 1 (p37-40)

This covers a range of topics including:

- Depreciation and disposals
- Partnership statement of financial position
- Irrecoverable debts
- Partnership LLP

(Answers on p48-50)



## Sample Assessment Material

### Paper 2 – Question 2 (p42-45)

This covers a range of topics including:

- Calculate sales and purchases
- Prepare an income statement
- Calculate gross profit %
- Calculate profit as a % of revenue
- Evaluate profitability

(Answers on p51-52)

# SAMPLE ASSESSMENT MATERIAL

## PAPER 2

***Question based on the case study about Brian Jack and Terry's partnership, trading as Pullman LLP***

Question 1(d).

Explain why Brian Jack and Terry have chosen to form this type of business structure (LLP).

(6 marks)

# SAMPLE ASSESSMENT MATERIAL

## PAPER 2 - Question 1(d) answer (Levels-based Mark Scheme)

Question	Indicative content		Mark
1(d)	<b>Explain (A03)</b> <ul style="list-style-type: none"> <li>• The partnership would have limited liability which would means that each partner was liable only for the debts of the business up to the amount of their investment.</li> <li>• The formation of a partnership means that Brian Jack and Terry will share the profits, liabilities and decision making. This will allow the business access to a wider range of funding options as the more partners there are the more capital which will be invested.</li> <li>• The formation of a partnership means that all three partners are able to bring their own expertise and skill to the day to day management of the business and provide cover for absent colleagues as necessary.</li> </ul>		(6)
Level	Mark		
	0	No rewardable material.	
Level 1	1-2	<ul style="list-style-type: none"> <li>• Some understanding of the accounting principles demonstrated but explanation has not been developed adequately.</li> </ul>	
Level 2	3-4	<ul style="list-style-type: none"> <li>• Good understanding of the accounting principles demonstrated with a developed explanation but with limited evidence to support response.</li> </ul>	
Level 3	5-6	<ul style="list-style-type: none"> <li>• Excellent understanding of the accounting principles demonstrated with a well-developed explanation with sufficient evidence to fully support response.</li> </ul>	

## POSSIBLE TEACHING AND DELIVERY STRATEGIES

- What order would you teach the specification?
- Consider using scenarios
- Use multiple-choice questions at the end of each lesson
- Use small groups or pair work
- Use timed activities

# Questions?



# Support and Resources



# Complete support from Pearson

## Plan

- Specification & SAMs
- Scheme of Work
- Getting Started Guide
- Course Planner
- Mapping documents
- Getting Ready to Teach events

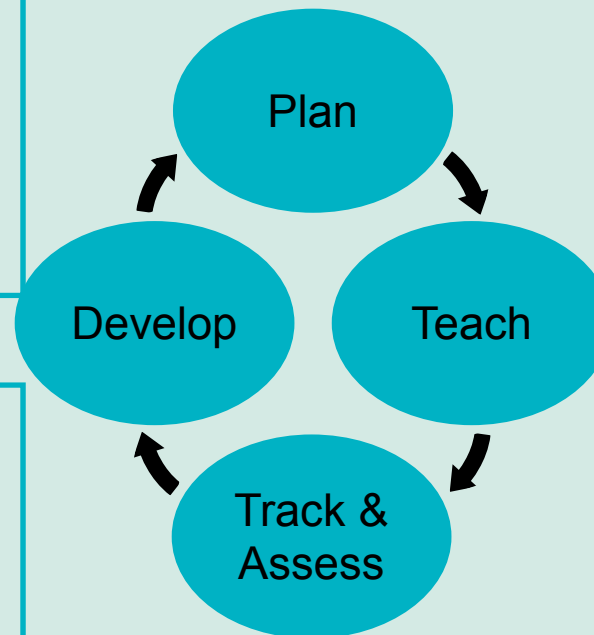
## Teach

Paid-for

- Student Book
- ActiveBook

## Develop

- Getting Ready to Teach events
- Mocks Marking events
- Feedback events



## Track & Assess

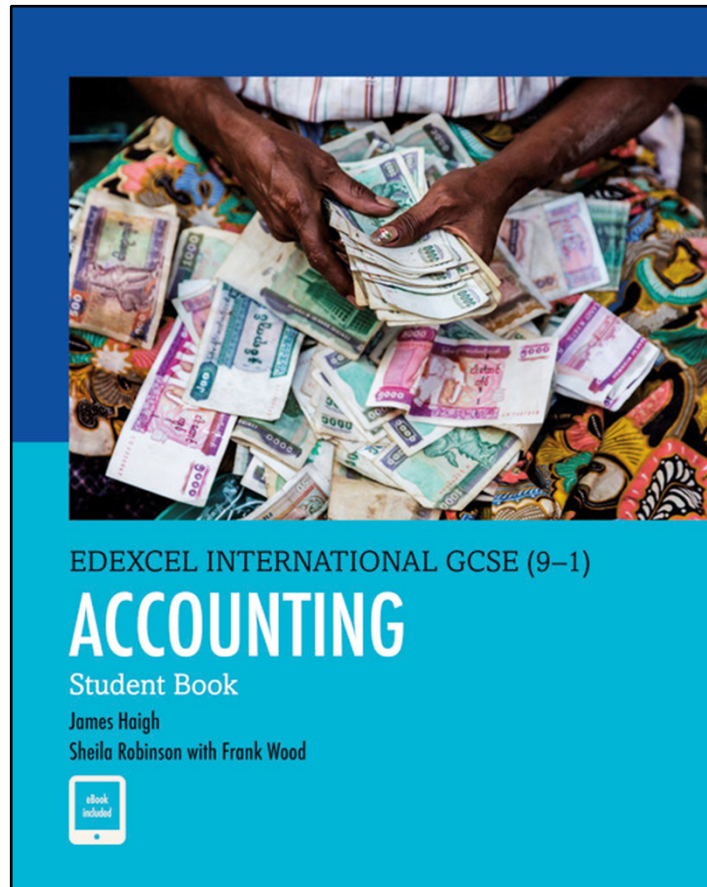
- ResultsPlus
- Mock Analysis
- ExamWizard
- SAMs
- Additional sample assessment papers
- Marked student exemplars

# Free support

- Course planner – coming soon
- Getting Started Guide – coming soon
- Editable scheme of work
- One further set of Extra Assessment Materials (Specimen Papers)
- Subject Advisor support



# Published resources - Paid-for support



NEW endorsed textbook from Pearson\*

- Engaging contemporary contexts with plenty of real case studies.
- Transferable skills are explicitly signposted, allowing students to understand the skills they are gaining.
- Exam style questions and practice tests to support revision.
- Content is mapped to the specification to provide comprehensive coverage.

**Student Book and eBook**

*\* Pearson's published resources, as well as other endorsed resources, are not a prerequisite for the delivery of our specification.*

# Free support: ResultsPlus and ExamWizard

## ResultsPlus

Provides the most detailed analysis available of your students' exam performance. This free online service:

- helps you identify topics and skills where students could benefit from further learning, helping them gain a deeper understanding
- see actual scores for each exam question for a student, class or group
- understand how your students' performance compares with class and Edexcel national averages
- acquire data that may support effective learning and teaching approaches.

## examWizard

examWizard is a free exam preparation tool containing a bank of past Edexcel exam questions, mark schemes and examiners' reports for a range of GCSE and GCE subjects.

- examWizard saves you time by allowing you to create your own mock exams, topic tests, homework or revision activities in minutes linking directly to associated examiner reports and mark schemes.

# Dedicated subject support

Your subject advisor is **Bernadette Newport**

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Email: [TeachingAccounting@pearson.com](mailto:TeachingAccounting@pearson.com)



International GCSE Accounting subject page:

<http://qualifications.pearson.com/en/qualifications/edexcel-international-gcses-and-edexcel-certificates/international-gcse-accounting-2017.html>

# Other useful links

## 1. [Grade Boundaries](#)

This page shows the minimum marks needed to achieve a certain grade for all UK and international examinations. Also refer to the examiners report which is available for download with other documents.

## 2. [Examination Results Statistics](#)

Results statistics summarise the overall grade outcomes of candidates sitting Edexcel examinations.

## 3. [ResultsPlus](#)

- Edexcel's free online service giving instant and detailed analysis of your students' exam and mock performance.
- See your students' scores for every exam question.
- Understand how your students' performance compares with Edexcel national averages.

# Questions?

# Thank you.



**ALWAYS LEARNING**