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Examiners' Report  
Principal Examiner Feedback

October 2024

Pearson Edexcel International Advanced Level  
In Accounting (WAC11) Paper 01  
Unit 1: The Accounting System and Costing

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## **General comments**

The Examiners noted that the standard achieved in this examination was very good and showed a continued improvement post pandemic. In general, the overall standard of responses to the October 2024 examination were more robust than examiners had seen during the pandemic period. Centres are to be congratulated for their work in achieving this improvement.

Candidates answered all questions on the examination paper fully and consistently. In particular, it was noted that the questions were answered with more detailed responses and with greater accuracy than in recent examinations.

## **Specific Comments**

### **Question 1**

Candidates generally prepared excellent answers to the question on the financial statements. The statement of profit or loss and other comprehensive income was generally substantially correct with expenses and income generally correctly calculated. The bank loan interest was the only expense to cause candidates difficulty and candidates should ensure that they base their calculation on the bank loan amount, the annual interest rate and the length of bank loan within the statement period.

The statement of financial position was again substantially correct. Candidates should ensure that they clearly categorise current assets and non-current assets and label the sections accordingly.

The calculation of the revenue and costs of operating the additional electric charging points were generally substantially accurately calculated.

The evaluation of whether to install the additional electric charging points was answered well using a range of financial and non-financial arguments, concluding with a rational decision.

Common error

- Calculation of bank loan interest.

### **Question 2**

Candidates prepared reasonably accurate journal entries to correct the errors. Candidates could often have increased the marks awarded by applying a little more care in the description of the narrative of the account to be debited or credited. This was evident where

descriptions of Provision for Depreciation and Allowance for Irrecoverable Debts and not just Depreciation or Irrecoverable debts were required.

Candidates did well in revising the profit for the year. Correct figures and substantially correct orientation of changes were generally recorded.

The statement of financial position was substantially correct. The greatest difficulty was the accurate inclusion of the non-current asset computers and fixtures.

The evaluation specifically related to the possibility of Information Communication Technology (ICT) reducing the possibility of errors in the books of account. The majority of candidates addressed this question. However, a minority of candidates failed to address the question by merely stating the general advantages and disadvantages of ICT.

Common error

- Candidates should ensure that they exercise a little more care in the description of accounts to be debited or credited in the journal.

### **Question 3**

Candidates generally prepared good and substantially accurate answers to the question. The definitions of allocated overheads and depreciation could have been clearer but candidates were able to apportion the overheads to each store with substantial accuracy. One common error was the apportionment of marketing costs on the basis of a variety of cost drivers other than sales revenue.

In part (c) the revised statement of profit or loss responses were generally accurate but some candidates used the original apportionment data instead of the revised apportionment.

The evaluation generally contained valid arguments for and against with an appropriate decision derived from those arguments.

Common error

- Apportioning marketing costs on a variety of basis other than sales revenue.

#### **Question 4**

Candidates could generally define profitability and calculate the four ratios examined. Greatest difficulty related to the return on capital employed where a minority of candidates either deducted the interest in the formula or miscalculated the profit for the year.

Comments on the profitability of the business varied significantly but the most common error was that candidates failed to make a qualitative comment. The description increased or decreased, or up and down were not accepted as valid comments as candidates need to identify whether there has been an improvement or a deterioration. Qualitative descriptions such as improved, deteriorated, worsened and is better should be used.

The forecast statement of profit or loss was substantially correct with the most common error being the calculation of the cost of sales.

Appropriate factors for the owner to consider before expansion of the business were generally given.

The evaluation of whether to expand the business generally contained relevant arguments both for and against, financial and non-financial, with a decision reached. The question was answered well.

Common error

- When commenting upon the calculation of ratios, a qualitative comment identifying improvement or deterioration from the previous position should be used.

#### **Question 5**

The calculation of the component costs and expenses making up the prime cost were generally very accurately made. A minority of candidates still record the manufacturing wages as an overhead while others record management salaries as a prime cost.

The overheads were generally accurate in calculation although depreciation was sometimes included as a yearly figure instead of a monthly figure. Many candidates also deducted overheads from prime cost to derive the total direct and indirect costs.

The evaluation was generally argued well with correct arguments both for and against and a rational conclusion drawn as to a possible change in inventory valuation method.

Common errors

- There were no common errors.

### **Question 6**

The preparation of the summarised cash book varied substantially between candidates in accuracy of posting. Entries were sometimes in the wrong cash and bank columns and there were regular omissions.

The calculation of the sales and purchases were substantially accurate with many correct answers given.

The statement of profit or loss was prepared accurately on the own figure rule containing all expenses.

The evaluation considered a variety of points for and against maintaining a full set of double entry records and a rational conclusion was generally reached.

Common errors

- Preparation of a cash book from given information.

### **Summary**

Although candidates did well in the October 2024 examination. To improve candidate's chances even further, centres may wish to consider the following key points relating to the October 2024 examination to ensure that their candidates are even better equipped to succeed in future examinations.

### **Key points for centres to consider**

1. Ensuring that candidates take care to read and address the question asked.
  - Ensuring that the narratives used in ledger accounts and journals are the names of valid accounts and appropriate to the correction or entries required.
  - Qualitative judgements on the movement of a ratios. It is not sufficient to say that the ratio has increased or decreased, it has to be qualitative such as improved or deteriorated?
2. Where apportioning selling or marketing expenses use the 'cost driver' of sales made.
3. Preparation of a cash book from given information.

