Examiners' Report
Principal Examiner Feedback

Summer 2025

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

Summer 2025
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General Comments

The Examiners noted that the standard achieved in this examination was consistent with the standard seen in recent examinations. In general, the overall standard of responses in the June 2025 examination was more robust than examiners had seen during the pandemic period. Centres are to be congratulated for their work in achieving this continued improvement.

Candidates answered all questions on the examination paper consistently. In particular, it was noted that the question covering irrecoverable debts was less attractive to candidates and more work needs to be undertaken to ensure that candidates can answer this topic with confidence. Although the standard of responses generally improved it was again noted that for a minority of candidate's entry to the examination was premature.

Specific Comments

Question 1

In general, candidates prepared very good answers for the financial statements. It was good to note that fewer candidates used abbreviations in this series.

(a) (i) It was impressive to note numerous candidates prepared the Manufacturing account to a high standard and scored 13+ marks. They usually used appropriate formats and terminology.

(ii) Generally, candidates prepared the Statement of Profit or Loss and Other Comprehensive Income to a very good level using appropriate layouts and included the right labels of 'Cost of sales', 'Gross profit' and ' Profit for the year' and scored 12 - 14 marks. Marks were lost for the incorrect Cost of sales as they did not transfer their figure from the manufacturing account.
sales,

(b) The Statement of Financial Position produced by candidates was of a better standard than previous examinations and many obtained 10+ marks. They used the correct subheadings and layouts. Most transferred their Profit for the year from part (a) (ii) to calculate the closing Equity. Some marks were lost for the incorrect Trade receivables and/ or Allowance for irrecoverable debts and recording only closing Inventory of finished goods.

(c) The evaluation marks were variable as many focused on the words “bank loan” and then

evaluated sources of finance. Similarly, others focused on the word “advertising” and described at length, different types of advertising

Common errors

- Including the carriage inwards in the overheads
- Including the purchases of raw materials in the cost of sales
- Failing to account for the £2 000 write off from the trade receivables.

Question 2

In general, this question was very well answered with candidates scoring well on all items.

(a) It was very pleasing to see numerous candidates preparing the Departmental Statement of Profit or Loss and Other Comprehensive Income account for the 3 departments all correctly or losing only a few marks. Most of them apportioned the costs correctly to the departments and used very good layouts.

(b) Many candidates were able to identify the points in favour or against charging 1/3 share of the overheads to the departments. Others only discussed apportionment of overheads referring to basis of apportionment. They could have attained a higher level in their evaluations by not presenting only one-sided arguments.

(c) candidates scored mostly 3 - 5 marks in their Forecast Profit and Loss Statements. Many had problems in applying the Profit mark-up of 50% in the correct manner and only very few were able to determine the right value of Cost of sales. Many miscalculated the Cost of sales as £180 000 or another sum. They were able to record the correct costs.

(d) Some candidates stated that the Cafe made a profit or the figures were estimates. Others discussed any random points.

Common errors

- Incorrect calculation of the mark-up to calculate the cost of sales,

Question 3

This was the least popular question on the paper. Those candidates who did attempt this question scored well across all sections but with very few excellent responses.

(a) (i) & (ii) Only some candidates provided good definitions of Provision, and they stated it was a liability. Most failed to comment that the value was not certain. Whereas, in comparison a large majority of candidates scored full marks for their explanation of the prudence concept.

(b) (i) & (ii) Numerous candidates calculated the correct Irrecoverable debts. However, many found the computation of the revised Profit rather demanding. Some adjusted the Irrecoverable debts from part (i), but many overlooked to account for the increase in the Allowance of Irrecoverable debts or miscalculated it as £80.

(c) (i) Many candidates scored at least 1/2 marks for the two balances b/d in the Allowance for Irrecoverable Debts account. Only a handful of candidates obtained full marks. Many lost marks as they used abbreviations in the narratives.

(ii) Candidates prepared the Financial Position extract showing the Current assets of a reasonable level. Marks were lost for the incorrect bank balance, for recording the incorrect trade receivable balance and not having all the five component items required.

(d) On the whole candidates were able to provide at least 2 appropriate methods of reducing

Irrecoverable debts. Many lost marks for mentioning cash discount, charging interest on overdue accounts and undertaking legal action.

(e) It was good to see numerous candidates discuss the advantages and/or disadvantages of Cash and Credit transactions.

Common errors

- Incorrect calculation of the decrease in the allowance for irrecoverable debts
- Failing to make the required adjustments to the bank and trade receivables when preparing the current assets.

Question 4

(a) (i) & (ii) Only some candidates were able to provide acceptable definitions of Inventory count. In comparison, most candidates were aware that Capital expenditure related to non-current assets. However, not all of them referred to the benefits lasting for one year.

(b) It was pleasing to note numerous candidates prepared the Statement of revised profit of a high standard and scored 17+ marks. It was pleasing to see fewer ticks in the increase and decrease columns.

(c) The evaluation on the benefits and drawbacks of the FIFO method of Inventory valuation was of a high standard and a better level than past exams. Good candidates made valid points and attained level 2 and level 3.

Common errors

- Only decreasing £980 Returns inwards in Error 1
- Only adding £135 Commission receivable for Error 3
- Failing to account for the £5 000 addition to profit for the incorrect inclusion of the capital expenditure in the draft statement.

Question 5

Generally, in the past, costing questions have been a less popular choice for candidates. However, for this series those candidates who attempted this question did very well across all sections, particularly the evaluation question.

(a)Generally, candidates were able to calculate the correct total cost, but few were able to correctly calculate the correct profit figure and so scored 8 marks.

(b) Numerous candidates scored 4 marks for the four costs, but failed to deduct the amount from their Quotation Price from part (a) to ascertain the actual profit for the job. Instead, they used the incorrect approach of adding 20% profit to their total cost of £3 985 and arrived at £4 782.

(c) (i) & (ii) Only some candidates made valid explanatory points on Job costing and scored half marks. Others commented that it was the cost for a job. In comparison, more were able to provide acceptable definitions of Day work. Although some stated it was the pay for day work.

(d) Numerous candidates were aware that rent and depreciation were fixed costs. However, some believed that Supervisor's pay was a semi-variable cost and Electricity bill was semi-fixed cost.

(e) Candidates scored well on this question. The majority were able to analyse why piecework might reduce costs and why costs might increase together with a valid decision.

Common errors

- Calculating the mark-up on the total cost and not the margin.
- Failing to deduct the actual cost of the job from the quotation price previously calculated.

Question 6

As in previous questions and in previous papers, candidates struggled to provide precise explanations for the terms. Additionally, a minority candidates failed to correctly meet the demands of the question by not expressing the ratios to 2 decimal places.

a) (i) & (ii) Candidate responses generally reflected their poor knowledge on the subject matter,

(b) It was extremely disappointing to note numerous candidates failed to calculate a basic accounting concept like Working capital. They included extraneous items such as on-current assets and capital.

(c) (i) - (iv) It was good to see many candidates using the correct formulae for the ratios. Marks were lost for not expressing the Current and Liquid ratios to :1 and/or answers to 2 decimal places. Only a handful of candidates scored no marks on this part.

(d) More candidates were able to identify the 2 positive aspects of liquidity and further developed their points and scored 2 - 4 marks.

(e) This ratio was less well answered, with most candidates failing to adjust their figures correctly for the payment of £25 000 by cheque.

(f) Very few candidates were able to achieve level 2 and above on this question. Most of them presented one-sided arguments and failed to discuss the arguments in favour of paying by cheque.

Common errors

- Poor understanding that working capital refers to current assets and current liabilities only.
- Failing to express their answers to the ratios to 2 dp.

Key points for centres to consider

- Ensure that candidates care to read the question fully and address the demands of the question fully.
- Ensure that candidates can differentiate between the terms margin and mark-up and can use their knowledge and understanding to correctly calculate the required figure.

- Candidates should appreciate that for explain questions, the answer requires specific subject knowledge and understanding to access all marks. Too often examiners see responses based on guessing as to the meaning of the term. Precise explanations are required.

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