



Examiners' Report Principal Examiner Feedback

June 2023

Pearson Edexcel International GCSE
in Accounting (4AC1/01)

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General

Given the continued worldwide difficulties, centres are to be congratulated on their preparation of students for the June 2023 IGCSE accounting examination. Well prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

There continues to be issues around the inclusion of incorrect dates and narratives in ledger accounts, a very important area of bookkeeping and accounting. Centres are advised to concentrate on this when preparing students for examination.

Questions requiring a discursive response continued to show signs of improvement but students need to be aware of the significance of these questions if they are to access higher grades.

Report on individual questions

Section A

Questions 1 – 10

The multiple-choice questions included questions across the range of the syllabus. It is important that students carefully read the whole question before selecting their response, though it was pleasing to note that once again, a number of candidates were gaining up to 80% correct answers.

Question 11

Candidates were required to complete a sales invoice for one item. Informed that cash discount of 5% for payment within seven days, they were then asked to calculate the amount payable firstly within seven days and then after seven days. Several candidates found the application of the discount challenging. Clearly some candidates had not read the question carefully and entered the amount of the discount rather than the amount payable.

Question 12

Candidates were required to state the book of original entry for five given transactions. The question was generally well-answered by most candidates.

Question 13

Required candidates to complete a tick box to identify which side of a trade payables ledger control account five items would appear. 60% of candidates gained full marks for the task.

Section B

Question 14

(a) Candidates were required to prepare a trial balance from a list of balances provided. Pleasingly, 40% of candidates prepared a totally correct trial balance though less well-prepared candidates clearly had not learned the basics of double entry bookkeeping.

(b) required candidates to identify the type of error present in two small scenarios. Whilst most candidates were able to correctly identify the error of omission, several failed to identify the error of original entry.

(c) Asked to explain the effect on owners equity of two given errors proved challenging to many candidates. It was disappointing to note that 60% of candidates failed to gain either of the two available marks and only 10% offered two correct responses. Once again, the most common problem was a failure of candidates to understand the requirement of the command word 'explain'.

Question 15

(a) Candidates were required to state two reasons for offering a trade discount. Most candidates were able to identify bulk buying as one reason, but many failed to offer a second reason.

(b) required candidates to state two reasons why a credit customer's account may have a credit balance. Over one half of candidates failed to gain any marks at all, and those who attempted the question often gave very vague answers such as 'there may be errors' which were not rewarded.

(c) required candidates to prepare the sales ledger account in the trader's books to account for four transactions. Results were generally disappointing. As is often the case when preparing ledger accounts, narratives were frequently incorrect and the lack of basic double entry skills was again very apparent.

(d)(i) required candidates to state two benefits of using accounting software and responses were generally very good focussing on the aspects of speed and accuracy.

(d)(ii) Candidates were asked to state two methods of protecting data when using accounting software and a majority of candidates were able to successfully identify two methods.

Question 16

The question focussed on completion of a three column cash book. As I have previously reported, the most common weakness was for candidates to again enter incorrect details in the cash book. As an example, the correct narrative for a standing order is the account where the amount is to be posted – in this case, SW Electric, not standing order. The full range of marks from zero to fifteen were seen with only 10% recoding full marks. It was however pleasing to note that the balancing off of the cash book was much better.

Question 17

The question focussed on the preparation of nominal ledger accounts and accounting concepts.

(a)(i) required candidates to prepare the stationery account from data provided. For exactly the same reason as previously noted, marks for this task were generally very poor due to inconsistencies in recording dates and details in the account.

(a)(ii) Asked to state the accounting concept that applies when taking stationery for personal use was correctly answered by over one half of candidates.

(b)(i) required candidates to prepare the insurance account from data provided. As was the case with the stationery account in part (a), marks for this task were again generally very poor due exactly the same reasons.

(b)(ii). Candidates were required to explain, referring to an accounting concept, why it was necessary to make an adjustment for the closing payment made in advance. Whilst most candidates were able to correctly identify the accruals concept, good explanations were few and far between.

Question 18

The final question focussed on irrecoverable debts.

(a) Candidates were asked to explain one difference between an irrecoverable debt and a provision for irrecoverable debts. Whilst most candidates were able to differentiate between the certainty of an irrecoverable debts as distinct from the estimate of a provision, explanations were sometimes rather vague.

(b) Asked to calculate the actual rate of provision from data provided was correctly answered by about one half of candidates.

(c)(i) and (ii) required candidates to calculate both the actual trade receivables and the provision for irrecoverable debts. The task was well answered by many candidates.

(c)(iii) required candidates to prepare the provision for irrecoverable debts account. As was the case with other ledger accounts, many candidates dropped marks for poor details and many also failed to identify the transfer to the income statement.

(d) required candidates to complete a tick box to identify in which section of the statement of financial position the provision for depreciation and the provision for irrecoverable debts would be shown. The task was well answered by a majority of candidates.

(e) Candidates were required to explain why the prudence concept applies when creating the provision for irrecoverable debts. Well prepared candidates were able to reference not overstating profit for the year and trade receivables.

(f) The final question required candidates to state one way in which irrecoverable debts could be reduced and many correctly identified the use of cash sales only.

Points for future sessions

I repeat several important points from previous reports for future guidance

- Read each question carefully, particularly the multiple choice questions where students have to make a choice of responses.
- When preparing books of original entry or ledger accounts it is important to include correct dates and narratives in order to gain the marks available. This was a particular weakness in this particular examination.
- When responding to questions which require prose responses students should ensure that they have read the scenario given and always provide development to support any points made.
- When dealing with evaluation questions students should always provide a conclusion which sums up and supports their findings.

Grade Boundaries

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