



# Examiners' Report Principal Examiner Feedback

November 2023

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

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## **General**

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

As will be seen from my detailed comments below, 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 importance of developing identified points when asked to explain an issue.

## **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 an invoice for the sale of two items. They were then required to calculate the trade discount of 20% and several candidates were able to gain all five available marks for the question.

#### **Question 12**

Candidates were required to complete a tick box to indicate on which side of a trial balance five items would appear. Candidates with good double entry skills were able to correctly answer all five parts though others reversed the entries for trade receivables and trade payables.

### **Question 13**

Candidates were provided with a statement of account and were required to identify firstly, the name of the document, the name of the customer and the name of the supplier. They were then asked to state one reason why the document was issued and to calculate the percentage rate of discount allowed. Whilst the first parts of the question were well answered, several candidates found difficulty in calculating the rate of discount allowed.

### **Section B**

#### **Question 14**

(a) Required candidates to state the name of the source document and the book of original entry for four given transactions. Results were very mixed with some candidates unable to identify the name of the source documents in particular. The books of original entry were generally well answered.

(b) Required candidates to prepare the purchases ledger account in the trader's books to account for three 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.

(c) Candidates were asked to state one reason why a supplier's account could have a debit balance and there were a large number of correct answers of either returned goods or an overpayment.

#### **Question 15**

(a) Given three items correcting errors or omissions, candidates were required to prepare journal entries for the correction. Responses were often very poor with several candidates demonstrating very poor double entry skills. This is an area of all accounting work that is of the utmost importance.

(b) Candidates were required to complete a tick box to indicate whether the correction of each error or omission would increase, decrease or have no effect on the profit for the year. Despite several poor answers to the journal entries in part (a), there were many correct responses to this question.

(c) Asked to state the name of the account to be opened when a trial balance does not balance produced a majority of correct responses of the suspense account.

- (d)(i) Required candidates to explain one benefit of preparing a trial balance and as I have commented in past reports, a common weakness of candidates is a lack of understanding of the command word 'explain'. To gain all available marks, candidates must first identify the benefit and then offer development linked to their identifier. Many offered no development whatsoever.
- (d)(ii) Candidates were asked to explain one limitation of preparing a trial balance and exactly the same comment as the previous task applies. Three marks were available and several candidates lost at least one of the marks by providing inadequate or no development at all.

### **Question 16**

The question focussed on control accounts and irrecoverable debts.

- (a) Required completion of a trade receivables ledger control account from data provided that also included items not referring to this particular control account. The question provided good differentiation with, once again, some candidates demonstrating poor double entry skills. Apart from that issue, several candidates used incorrect labelling in the details column and I cannot stress strongly enough the importance of correct labelling of entries in any double entry account. The most common error has always been failure to correctly label cash received from customers as bank. The entry should always refer to where the other half of the double entry comes from.
- (b) Required candidates to prepare the provision for irrecoverable debts account and the question was very poorly answered by all except the very well prepared candidates.
- (c) Required candidates to state two ways in which the trader could encourage credit customers to pay their accounts promptly. Whilst most candidates were able to offer one valid way, usually by charging interest on late payments, some failed to offer a second option.

### **Question 17**

The question focussed on the cash book and bank reconciliations.

- (a) Required candidates to state one benefit of preparing a bank reconciliation statement. Most candidates offered a valid benefit though some were not precise enough to be rewarded.

(b)(i) Asked candidates to prepare the updated cash book to account for transactions that had been omitted from the cash book. The question was generally well answered though there was again evidence of poor double entry skills from some candidates along with poor labelling of entries.

(b)(ii) required candidates to prepare a bank reconciliation statement. I saw a full range of marks for this task with some demonstrating little knowledge of the structure of a bank reconciliation statement whilst others gained full marks for a totally correct answer.

(c). Candidates were asked to state two characteristics of both a standing order and a direct debit. Many candidates failed to recognise the difference between a standing order and a direct debit and the problem was frequently compounded by a lack of precision in candidates' responses.

### **Question 18**

The final question focussed on non-current assets.

(a) Candidates were asked to explain one reason why it is necessary to provide for depreciation on non-current assets. Whilst many candidates were able to identify a reason, only a relatively small number were then able to develop their response to gain the second mark and once again, explanations were sometimes rather vague.

(b) Data was provided for the purchase and sale of motor vehicles during the year and candidates were required to prepare the motor vehicles at cost account and the disposal account. Many candidates found this task challenging and again, I have to reference weak double entry skills and poor labelling by many candidates. On the positive side, well-prepared candidates frequently calculated correct figures for all of the entries.

(c)(i) Required candidates to complete a tick box to identify the effect on gross profit if the purchase of a new motor vehicle was treated as revenue expenditure. Whilst many opted for understated or overstated, clearly missing the fact that it was the effect on gross profit not profit for the year, less offered the correct response of no effect.

(c)(ii) The final question required candidates to explain why the purchase of a new motor vehicle is treated as capital expenditure. Despite several very vague responses, well prepared candidates were able to offer a cohesive and correct explanation to gain all three marks.

## **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 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.
- When dealing with explain questions, candidates must always offer development of an identified point in order to gain all of the available marks.

## **Grade Boundaries**

Grade boundaries for this, and all other papers, can be found on the website on this link: <http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

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