



Pearson
Edexcel

Examiners' Report
Principal Examiner Feedback

November 2024

Pearson Edexcel International GCSE
in Accounting (4AC1)
Paper 1: Introduction to Bookkeeping and
Accounting

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General

Centres are once again to be congratulated on their preparation of students for the June 2024 IGCSE accounting examination. I saw many excellent candidate scripts and 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 full 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

(a) Candidates were required to state the name of the book of original entry to record each of cash sales and credit sales. The majority of candidates were awarded two marks for two correct answers.

(b) Asked to state the name of the document sent to customers at the end of each month produced a surprisingly large number of incorrect answers ranging from invoice to bank statement.

(c) Asked to state one reason why a business would offer trade discount and cash discount to customers produced many fully correct answers.

Question 12

- (a) Candidates were required to state the accounting equation was well answered by well-prepared candidates but a number of incorrect answers too.
- (b) Required candidates to complete a table with the missing figure that balanced the accounting equation. Most candidates gained at least two of the available marks.
- (c) Candidates were required to state the effect on the accounting equation when purchasing a motor vehicle on credit. Many candidates gave stated only one impact, not the effect on both assets and liabilities.

Question 13

- (a) Candidates were required to state two stakeholders who may be interested in the financial statements of a business. Suppliers and banks were the two most popular correct responses and the task was well answered by the majority of candidates.
- (b) Required candidates to state two benefits to a business of using a computerised accounting package and most candidates correctly identified speed and accuracy.
- (c) Asked to state one characteristic of a public sector organisation was usually well answered though some responses were too vague to be rewarded.

Section B

Question 14

- (a) Asked to state two advantages of maintaining a petty cash book resulted in several good responses for two marks.

(b) Required candidates to state the double entry to restore the petty cash float. The task was not well answered with several candidates showing the reverse entries of the transaction and others incorrectly referring to the petty cash book as distinct from the petty cash account.

(c) Candidates were required to complete the travel expenses account from data provided. Several candidates demonstrated a lack of double entry skills with items on the wrong side of the account and incorrect labelling of transactions.

(d) Asked to state one reason why the petty cash book balance may not have agreed with the total amount of cash in the petty cash box produced a lot of good responses but also several very vague responses that were not rewarded. Candidates must be specific as to what their answer should be conveying.

(e) Candidates were provided with five transactions that contributed to a difference in the bank reconciliation and were asked to prepare the updated cash book. As is frequently the case when questions of this nature are asked, the most common cause of dropped marks was incorrect labelling of transactions in the cash book.

Question 15

(i) Candidates were provided with a list of five errors in a traders books of account and were required to state the type of errors in each case. Most candidates were awarded either two or three marks for their answers. The most common mistakes were to refer to complete reversal as just reversal and an inability to recognise the error of original entry, referring to it as a transposition error.

(ii) Using the same data, candidates were required to prepare journal entries to correct each of the errors. Whilst there were some excellent, fully correct, answers, the question once again demonstrated the lack of double entry skills in less well-prepared candidates.

Question 16

The question focussed on control accounts.

(a) Asked candidates to state two reasons why a business may have a debit balance on its trade payables ledger control account. The question has been asked in several past examination papers and as expected was well answered by most candidates.

(b)(i) Required candidates to prepare trade payables ledger control account from data provided. Although only very few candidates gained full marks for this question due to losing the mark for correct dates and details. It was noticeable however there was a significant improvement in this regard.

(b)(ii) Candidates were required to state what the balance on the trade receivables ledger control account represented and very few gave a sufficiently precise response to be rewarded.

(c) Asked to explain why the books of original entry are used to prepare the control account rather than the trade payables ledger accounts was not well answered. Only a minority of candidates recognised that the trade payables ledger accounts themselves could contain errors.

(d) Asked candidates to explain why the control account and the payables ledger should be maintained by different members of staff. The key to the answer was the prevention of fraud and this was recognised by several candidates though development of their identified points was often not given.

Question 17

The question focussed on journal entries.

(a) Candidates were presented with a list of assets and liabilities at the start of the financial year and were required to prepare an opening journal entry. Several candidates correctly recorded the eight items provided but failed to complete the journal by recording the balance as the opening equity. Several recorded the balance using either old terminology (capital) or as suspense.

(b) Details were provided of two transactions that had occurred during the year and candidates were required to prepare journal entries to process the transactions. Several candidates failed to provide a narrative despite that clearly being required and there was further evidence of the lack of double entry knowledge – an essential skill of bookkeeping and accounting.

(c) Candidates were required to advise the trader of two benefits to his business of maintaining a trial balance. The question has been asked in previous examinations and as expected was very well done.

Question 18

The final question focussed on capital and revenue expenditure..

(a) (i) and (ii) Data was provided of six transactions relating to a capital project and candidates had to calculate the total amount of capital expenditure and the total amount of revenue expenditure.

(a) (iii) Asked candidates to explain their treatment of the redesign of the premises and several candidates did not attempt the question. Those who did answer the question were generally able to gain one mark for identification but valid development was seldom present.

(b) The final question required candidates to explain the importance of the correct treatment of capital expenditure and revenue expenditure. Responses were very varied with several candidates simply giving the meaning of each classification without explaining the importance of the correct treatment. Only a minority of candidates finished off their answer with a conclusion – an essential element when asked to explain.

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 once again 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, together with a conclusion where relevant.

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