Pearson Edexcel

Examiners' Report
Principal Examiner Feedback

Summer 2025

Pearson Edexcel International GCSE
In Accounting (4AC1) Paper 01

Paper 1: Introduction to Bookkeeping and Accounting

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2025
Publications Code 4AC1_01_2506_ER

General

I saw several excellent candidate scripts and well- prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

However, as will be seen from my detailed comments below, there continues to be issues around the inclusion of incorrect dates and details 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

As usual. 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, several candidates were gaining up to 80% correct answers.

Question 11

Candidates were required to complete a table to state the book of original entry for five transactions. Well-prepared candidates were able to gain all five available marks. A small number of candidates identified source documents, not the books of original entry. This emphasises the importance of reading the questions carefully.

Question 12

Candidates were required to complete a tick box to indicate whether each of five balances would be entered on the debit side of a trial balance or the credit side. The task was well-answered by many candidates with most gaining either four or five of the available marks. Some failed to correctly identify the mortgage as a credit entry.

Question 13

(a) Candidates were provided with a description of three accounting concepts and were required to identify each concept – materiality, money measurement and business entity. Most candidates were able to identify at least two concepts, whilst few identified all three.

(b) Candidates were provided with a description of two principles of professional ethics and were required to identify each principle – objectivity and integrity. Many candidates were able to identify both to gain two marks.

Section B

Question 14

The question focussed on completion of customer accounts.

(a) Asked to state two benefits to a business of offering a trade discount to customers resulted in very good responses with most candidates offering bulk purchasing and loyalty for two marks.

(b) Required candidates to prepare a journal entry to record the writing off an irrecoverable debt. Whilst there were several fully correct responses, some candidates demonstrated a lack of basic double entry principles and several failed to provide the required narrative to their entry.

(c) Provided with details of two credit customers' balances and transactions, candidates were required to prepare the customers' account in the trade receivables ledger. There were very few totally correct answers to the question, and it was again noticeable that several candidates were not comfortable with preparing basic double entry accounts. As I have recorded previously, correct dates and details are essential to be awarded marks. Candidates must remember that the details refer to the corresponding part of the double entry and must not refer to old terminology; for example, 'bad debts' must be irrecoverable debts. Refer candidates to the published mark scheme to view allowable terminology.

Question 15

The question focussed on journal entries and the correction of errors.

(a) Required candidates to state two types of error that do not affect the balancing of the trial balance, and the vast majority provided two correct responses.

(b) Candidates were provided with a list of five errors that resulted in a trial balance not balancing and were required to prepare journal entries to correct each error. Results were very mixed with less well-prepared candidates once again demonstrating the lack of essential double entry principles. However, it was pleasing to note that there were several full correct responses to gain ten marks.

(c) Candidates were required to prepare the suspense account to take account of the journal entries. Whilst several were able to correctly record the two relevant journal entries, very few gained the third mark by correctly closing off the account. Several failed to recognise that the two entries cleared the opening balance in the account and simply carried the balance down whilst others incorrectly transferred the balance into the income statement.

Question 16

The question focussed on Completion of a trader's cash book and preparation of a bank reconciliation statement.

(a) 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 frequent poor labelling of entries causing loss of marks. Please refer to my earlier comment regarding the correct application of the "details" column.

(b) 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. Once again, correct labelling is important if full marks are to be awarded.

(c) Candidates were required to process the entries necessary to close off the petty cash book and responses were generally very poor. Whilst preparation of petty cash books is often well answered, this closing off process is where marks are usually lost.

Question 17

The question focussed on entries in a trade payables control account and the treatment of irrecoverable debts.

(a) Required completion of a trade payables ledger control account from data provided that also included items not referring to this control account. The question provided good differentiation with, once again, some candidates demonstrating poor double entry skills. As I have recorded in previous examination reports, several candidates again 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 payments / cash sales as bank. Neither should appear in the control account unless they relate to credit suppliers / credit customers.
In all cases, the entry in a double entry account should always refer to where the other half of the double entry comes from.

(b) The question referred to trade receivables. The trader was considering writing off a percentage of trade receivables as irrecoverable or alternatively making a provision for irrecoverable debts. Candidates were asked to discuss which option the trade should take. Most candidates provided good identification of both options though some development was often rather tenuous, though most followed the requirements and included a conclusion.

Question 18

The final question focussed on non-current assets.

(a) Candidates were required to complete a table to state whether four costs were capital expenditure or revenue expenditure. Many candidates were rewarded for either three or four correct responses.

(b) Data was provided for the purchase and subsequent sale of a machine. They were required to calculate the balance of the machinery cost account after the purchase and sale. Most candidates provided a correct response.

(c) Candidates were then required to prepare the machinery provision for depreciation account and the disposal account at the year end. Many candidates found the provision for depreciation account challenging and again, I must reference weak double entry skills and poor labelling by many candidates. On the positive side, preparation of the disposal account was much better and resulted in several correct responses.

(d) The final question required candidates to advise the trader whether she should change her depreciation method from the straight line to the reducing balance method. This question produced mixed responses. Whilst most candidates clearly understood both methods and referred to the consistency concept, answers often lacked sufficient focus to be awarded more than three of the available five marks.

Points for future sessions

I repeat again, several important points from previous reports for future guidance

- Read each question carefully, particularly the multiple-choice questions where students must make a choice of responses.
- When preparing books of original entry or ledger accounts it is important to include correct dates and narratives 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 evaluative or discursive 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 to gain all 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

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom