



Examiners' Report/ Principal Examiner Feedback

June 2023

Pearson Edexcel International GCSE
in Accounting (4AC1/02)

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Publications Code 4AC1_02_2306_ER

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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 good knowledge and understanding of the preparation of financial statements.

There continues to be issues around the inclusion of incorrect dates and narratives in ledger accounts such as partnership current accounts though it is noticeable that there was some improvement in this area.

Questions requiring a discursive response did show some signs of improvement but students need to be aware of the significance of these questions if they are to access higher grades. Centres are advised to concentrate on this when preparing students for examination.

Report on individual questions

Question 1

The question focussed on the financial statements of a manufacturer.

(a) Candidates were required to explain the difference between the three types of inventories. Many candidates did not explain the differences and simply recorded three brief bullet points. These were not rewarded as the question clearly required an explanation. Many responses lacked sufficient focus, in particular relating to raw materials.

(b) Candidates were required to prepare the manufacturing account for the business. The task highlighted the full range of abilities across the candidates' responses. Some prepared an income statement rather than a manufacturing account and others were clearly unfamiliar with the structure of the account. Well-prepared candidates were able to achieve almost all of the available eleven marks.

(c) Preparation of the income statement was generally well answered and most did use the correct format for the statement which was pleasing. There were several totally correct responses.

(d) Asked to explain why a manufacturer may purchase finished goods proved challenging to many candidates. Several appeared to not relate their answer to the fact that the business was a manufacturer and simply responded that the goods were cheaper, making the business a trader rather than a manufacturer.

Question 2

The question focussed on partnership accounts.

(a) Candidates were required to explain why it is advisable to draw up a partnership agreement when forming a partnership. Many candidates correctly identified that the agreement would help avoid conflict, but only a minority addressed the fact that it is written evidence that helps to avoid conflict. Thus many candidates gained only one mark.

(b) required candidates to explain one reason why a partner may decide to provide a loan to the partnership rather than investing more capital. Responses were very mixed with several candidates appearing to misunderstand the question and interpreting it as the partner receiving a loan from the partnership. Several candidates failed to gain marks from this task.

(c) Candidates were provided with data for the draft profit before making three necessary adjustments for partner's salary, drawings and loan interest. The requirement was to prepare the appropriation account for the year. Whilst there were several very good, accurate statements, some candidates failed to make at least one of the adjustments in to wrong direction. Presentation of the statement was generally good.

(d) Finally, candidates were asked to prepare the current account for one of the partners. Whilst many were able to enter amounts into the correct side of the account, many entered either incorrect details, no details at all or no dates in the account. These candidates were penalised many marks for what are fundamental errors.

Points for future sessions

I shall once again repeat advice that I have recorded on previous reports.

- Read each question carefully and provide the correct format for all financial statement.
- When preparing double entry accounts, correct dates and details are an essential part of the response.
- When responding to questions which require prose responses students should be guided by the numbers of marks allocated and structure their responses in a logical manner.
- When dealing with evaluative questions students should always provide a conclusion which sums up and supports their findings.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

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