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Edexcel

Examiners' Report Principal Examiner Feedback

November 2024

Pearson Edexcel International GCSE
in Accounting (4AC1)
Paper 2: Financial Statements

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General

Whilst the overall results were mixed, centres are again to be congratulated on their preparation of students for the November 2024 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 labels in financial statements, often the use of old terminology. Centres are advised to concentrate on this when preparing students for examination.

It was pleasing to note that questions requiring a discursive response did, once again, show some signs of improvement but students need to be aware of the significance of these questions if they are to access higher grades. Again, centres are advised to concentrate on this when preparing students for examinations and to remind them of the need to include advice or a conclusion where appropriate..

Report on individual questions

Questions 1

The question focussed on the financial statements of a sole trader.

(a)(i) Candidates were provided with data of opening balances and a summary of the bank account and were required to calculate the trade receivables at the year-end. Overall performance in this task was poor. Several candidates undertook this task by producing a ledger account and achieved better marks than those who produced just a list of figures which frequently included adjustments in the wrong direction. Very few candidates correctly took account of the irrecoverable debt in their calculation.

(a)(ii) Using the same data, candidates were required to calculate the trade payables at the year end. This was the same process as task (i) and produced similar poor results for the same reasons as detailed above.

(a)(iii) Candidates were required to prepare the statement of financial position. Although well-prepared candidates were able to make a good attempt, this question also produced disappointing results. Several candidates either produced a statement of profit or loss or did not appear to be familiar with the layout of a statement of financial position. The biggest weakness was that the majority of candidates showed no workings whatsoever to support the figures used, thus limiting their final reward.

(b) Candidates were required to discuss, referring to accounting concepts, whether the trader should create a provision for irrecoverable debts. Most candidates attempted this question and discussed both the prudence and matching concepts. There were several good responses earning either four or five marks though some failed to provide any advice .

Question 2

The question focussed on partnerships and a manufacturing account.

(a) Candidates were required to state two reasons (other than an injection of capital) why a sole trader may wish to form a partnership with another trader. The majority of candidates gained the two available marks, though some ignored the instruction in the question and gave an injection of capital as their reason which was not rewarded.

(b)(i) Candidates were provided with data for the partnership and were required to prepare a manufacturing account for the year. The question was well answered by a majority of candidates with several giving a fully correct account. Those who dropped marks tended to have included office costs as part of the manufacturing costs. Overall, the standard of labelling was much improved from previous examinations.

(b)(ii) Candidates were told that some costs allocated to the manufacturing department should have been apportioned in part to the administration department. Candidates were required to calculate the corrected production cost after the necessary adjustments had been made. Results were quite varied but several well-prepared candidates were able to gain at least four of the five available marks.

(c) The final question required candidates to advise the partners whether they should draw up a formal partnership agreement. There were several good responses concentrating on the avoidance of conflict and on the effect on the decision making process. Pleasingly in this case, the majority of candidates did offer advice as part of their answer.

Points for future sessions

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

- Candidates must provide the correct format for all financial statements using the correct new terminology and should not use any abbreviated labels.
- 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 explain or discuss questions, candidates must always offer development of an identified point in order to gain all of the available marks.
- When dealing with evaluative questions students should always provide a conclusion which sums up and supports their findings.

Grade Boundaries

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