



Examiners' Report/ Principal Examiner Feedback

June 2023

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

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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 preparation of financial statements from incomplete records.

(a) Candidates were required to calculate the credit sales for the year from data provided. Most candidates were able to achieve at least four of the available five marks. Those candidates who made use of a control account tended to achieve the better marks. The most common error was a failure to account for the discount allowed.

(b) Candidates were required to prepare the income statement for the business. The task highlighted the full range of abilities across the candidates' responses. Well-prepared candidates were able to achieve almost all of the available fifteen marks. Sadly, others were clearly unfamiliar with the structure of the income statement.

(c) Candidates were required to explain, with reference to an accounting concept, why an adjustment was made for goods taken for own use. Several candidates found the task challenging and many simply stated the accounting concept with no explanation.

(d) Asked to explain how the consistency concept was applied when depreciating non-current assets, proved equally challenging to many candidates. Whilst several clearly understood the consistency concept, they struggled to explain it in relation to the task.

Question 2

The question focussed on partnership accounts.

(a) The task was split into three parts asking for one reason why a partnership agreement provides for interest on capital, interest on drawings and a partnership salary. Whilst the first two were usually well-answered, most produced only a very vague response for the partnership salary and failed to be rewarded for that part.

(b) Candidates were provided the partnership profit for the year together with details of partners' drawing. Presentation of the statement was generally good. The most common errors were to account for only one month of the partnership salary and a failure to account for the goods taken for own use as a part of drawings.

(c) Candidates were asked to prepare the current account and capital account for one of the partners. The capital account in particular was often very poorly answered as a result of the presence of alien items, demonstrating a lack of understanding of the precise uses of the capital account. The current account was answered better, though a large number of candidates were penalised for either incorrect details or lack of dates. These candidates were penalised for what are fundamental errors.

(d) Data was provided for the actual and budgeted gross profit for the year and the profit for the year as a percentage of revenue. Candidates were asked to evaluate whether the partners were correct to state that profitability had exceeded their expectations. Very few candidates were able to achieve more than two or three of the available five marks, principally as a result of vague and unsubstantiated comments.

(e) Asked to state one other profitability ratio was correctly answered by the majority of candidates.

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

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