Examiners' Report
Principal Examiner Feedback

Summer 2025

Pearson Edexcel International GCSE
In Accounting (4WAC1) Paper 01
Unit 1: Introduction to Bookkeeping and Accounting

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General

I saw excellent candidate scripts from well- prepared students who were able to 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 a number of 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. Several candidates were able to identify at least two concepts, but others appeared to be unfamiliar with accounting concepts.

(b) Candidates were provided with a description of two principles of professional ethics and were required to identify each principle – objectivity and integrity. As was also the case with the accounting concepts in the previous task, many candidates appeared to be unfamiliar with the principles of professional ethics.

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 of an irrecoverable debt. Whilst there were some fully correct responses from well-prepared candidates, others 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 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 some fully 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. Whilst well-prepared candidates answered the question well, there was again evidence of poor double entry skills from others 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 are often well answered, this closing off process is where marks are usually lost.

Question 17

The question focussed on nominal ledger accounts, other payables and other receivables.

(a) Required candidates to define (i) other receivables and (ii) other payables. Responses by many candidates lacked sufficient precision to be rewarded with several candidates defining trade receivables and trade payables.

(b) Candidates were required to state the reason why a business should account for other receivables and other payables. This task was generally well answered with candidates referring to either complying with the accruals concept or not overstating or understating the profit for the year.

(c) Required candidates to identify on which side of the trial balance other receivables and other payables would be entered. Most candidates placed ticks in the correct boxes.

(d) Candidates were required to prepare the rent payable account from data provided. Many candidates found the question challenging due to the previously mentioned lack of good basic double entry knowledge.

(e) Required candidate to prepare the stationery account from data provided and the same comment as the previous task apply again here. Candidates must be prepared to follow the basic rules of double entry as regards dates, details and entering on the correct side of the accounts.

Question 18

The final question focussed on non-current assets.

(a)(i)Data was provided for the purchase and sale of machinery. They were required to calculate the balance of the machinery provision for depreciation at the start of the financial year. Candidates found the task challenging with few providing a correct response.

(a)(ii) Candidates were then required to prepare the machinery provision for depreciation account for the year. Many candidates found the provision for depreciation account challenging and again, I have to reference weak double entry skills and poor labelling by many candidates.

(a)(iii) Candidates were then required to prepare the machinery provision for depreciation account at the year end. Many candidates found the provision for depreciation account challenging and again, I have to reference weak double entry skills and poor labelling by many candidates.

(a)(iv) Asked candidates to calculate the profit or loss on disposal of the machine and this resulted in much better performance than the previous parts of the question.

(b) Candidates were required to state two advantages of using the straight line method of depreciation.

(c) The final question required candidates to discuss why it is important for a business to distinguish between revenue expenditure and capital expenditure. Responses were very mixed to this question though most candidates were awarded marks for identifying the characteristic of each but frequently failed to offer sufficient development to actually answer the question asked. Most answers lacked sufficient focus to be awarded more than a maximum three of the available five marks.

Points for future sessions

I detail below 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 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 in order to gain all of the available marks.

Grade Boundaries

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