



Examiners' Report Principal Examiner Feedback

Summer 2019

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

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General comments

Centres are to be congratulated on their preparation of students for the June 2019 IGCSE accounting examination. Throughout the paper students were able to demonstrate their knowledge and understanding of bookkeeping and accounting which is pleasing.

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

The evaluation of business scenarios demonstrated some improvement but still proves challenging for centres and students. Centres are advised to concentrate on this area when preparing students for examination.

Comments on specific questions

Section A

Questions 1 - 10

The multiple-choice questions provided a good indicator of student performance in the rest of the paper with coverage across the range of the syllabus. It is important that students read carefully the whole question before selecting their response. This was particularly important in Q6 and Q10 where the question required students to consider all the given data in order to reach the correct response.

Question 11

Students were required to complete the detail of a credit note. Most students were able to gain good marks for this task though some failed to correctly account for the trade discount.

Question 12

Students were required to prepare the sales ledger account from the given data of a sales invoice, a credit note and a customer receipt. Whilst most students prepared the account using the correct figures, many were penalised for incorrect narratives or missing dates.

Question 13

Following the sale of machinery, students were required to complete the disposal account. Some students failed to correctly calculate the accumulated depreciation on the machinery sold. As was the case in the previous question, many were penalised for incorrect narratives or missing dates.

Section B

Question 14

- (a) Students were required to prepare an updated cash book following the discovery of errors and omissions. There were some very good responses to the question, though again there were often problems with the narratives in the cash book.
- (b) Students were then required to prepare the bank reconciliation statement. Well prepared students were able to gain all, or most, of the six available marks for this task. The most common error was accounting for the unpresented cheques and the uncredited bankings in the wrong direction.
- (c) Students were required to define two banking terms.
 - (i) Standing order. Most students recognised that a standing order referred to a fixed amount, though less were able to develop their response by identifying that it is initiated by the payer.
 - (ii) Direct debit. Similar to the previous task, many recognised that this referred to a variable amount though few stated that it is initiated by the payee.

Question 15

- (a) Students were required to complete a table identifying the type of error in three cases from the scenario. The task was well done by many students, though identification of the error of transposition caused a problem.
- (b) As a result of the errors and omissions in the scenario, students were then required to prepare the suspense account. Whilst there was much good work, the most common error again related to correct labels in the account.
- (c) Students were then required to complete a table to show the effect that the correction of the errors would have on the profit for the year. This task was generally well done with most students giving clear indication of their desired response.

Question 16

- (a) Students were required to prepare a trade receivables ledger control account from a given data set. In general, this was well answered with many students able to complete the task correctly and score full marks.
- (b) Students were required to evaluate the reasons why the business maintained a trade receivables ledger control account. Evaluative questions of this nature require students to relate their answer to the given scenario rather than simply offering generic responses. Evaluative questions also require students to consider both sides of the argument. In this particular question, many students supplied valid reasons for maintaining the trade receivables ledger control account, but rarely gave sufficient development to gain further marks.

Question 17

- (a) Students were presented with an incorrect draft trial balance and were required to complete a corrected version. This question was well answered by a large number of students though incorrect treatment of irrecoverable debts and carriage inwards were the most common errors.
- (b) Students were required to identify the accounting concept being applied to two small scenarios. Most students correctly identified the business entity concept though the second example (materiality) was frequently wrongly identified as accruals or prudence.
- (c) Students were required to complete a table to identify in which section of the financial statements four given costs would be shown. Only a minority of students achieved all four marks with the increase and decrease in provision for irrecoverable debts proving most difficult.

Question 18

- (a) Students were required to define two terms.
- (i) Other payables. Most students were able to score one of the two available marks by recognising that the amounts are unpaid at the end of the financial year, but most development was too vague to be rewarded.
 - (ii) Other receivables. Similar to the previous task, most recognised that this referred to an amount paid in advance, but again development was mostly too vague to be rewarded.
- (b) Given data regarding the receipt of an invoice for advertising covering an eight-month period that overlapped the financial year-end, students were required to calculate the amount of the adjustment to the advertising account. The task resulted in very varied responses.
- (c) Students were required to complete a table to indicate whether transactions were revenue expenditure or capital expenditure. The question was generally very well answered with many candidates gaining full marks.
- (d) Students were required to evaluate why it is important for a business to distinguish between revenue and capital expenditure. Most responses relied too heavily on definitions rather than addressing the importance of distinguishing between the two types of expenditure. Furthermore, many responses lacked a closing evaluation summarising the effects of incorrect treatment.

Points for future sessions

- Read each question carefully, particularly the multiple choice questions where students have to make a choice of responses.
- When preparing books or original entry or ledger accounts it is important to include correct dates and narratives in order to gain the marks available.
- 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 evaluation questions students should always attempt to consider both sides of the argument and also to reach a conclusion which sums up and supports their findings.

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