



# Examiners' Report/ Principal Examiner Feedback

November 2021

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

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## **General**

Centres are to be congratulated on their preparation of students for the November 2021 IGCSE accounting examination. Many students were able to demonstrate a 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**

(a) Students were required to prepare an income statement for a manufacturer. Overall, this was well done by most students with the most common error being a failure to adjust for payments in advance and in arrears. In addition, some students included extraneous items in their statement. However, most students did use the correct format for the statement which was pleasing.

(b) Students were required to prepare an extract of a statement of financial position for a manufacturer. Similarly to the income statement in (a) this was done to a good standard by most students with several scoring full marks.

The most common errors were not including a total for inventories and not providing a sub total for trade receivables.

(c) Students were required to evaluate the liquidity of the business from given data. There was a noticeable improvement in responses to this type of question. Students need to make sure that they structure their responses correctly in order to gain full marks. In this situation marks were lost by not providing a conclusion which is essential when students are asked to evaluate a businesses' profitability or liquidity.

## **Question 2**

(a) Students were required to state one advantage and one disadvantage of forming a partnership.

Most students were able to gain both marks in this question with the most common disadvantage being that partners would have to share their profits.

(b) Students were required to prepare a partnership appropriation account.

There were many full responses to this question with the correct format being used.

The most common error was students adding the interest on capital and the partners salary to the profit for the year when they should have been deducted.

(c) Students were required to prepare a current account for one of the partners.

As with all ledger accounts students need to take care to ensure that they include a correct date, narrative and amount with each entry they mark, and that the account is balanced off correctly.

(d) Students were required to state the meaning of a debit balance in a current account.

Overall most students were able to score the mark available here with students identifying that the partner had taken more money than they were entitled to.

(e) Students were required to identify the effect on profit for the year of three transactions.

This question did prove challenging for many students, however there were some good responses and most students were able to score some of the marks available.

(f) Students were required to explain the purpose of two clauses included in a partnership agreement.

As with other questions requiring a discursive response the responses here were mixed. Students need to be guided by the number of marks allocated to a question and provide a balanced response where appropriate. However, there were some good responses here and students were able to provide the main reason why these clauses were included in partnership agreements.

## **Points for future sessions**

- Read each question carefully and provide the correct format for the financial statement required.
- 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:

<http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

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