



Pearson
Edexcel

Examiners' Report
Principal Examiner Feedback

Summer 2022

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 01 Introduction to Bookkeeping and
Accounting

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General

Given the continued difficulties caused worldwide by the pandemic, centres are to be congratulated on their preparation of students for the June 2022 IGCSE accounting examination. Well prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

As has been noted previously, there continues to be issues around the inclusion of incorrect dates and narratives in ledger accounts and once again, the evaluation of business scenarios still proves challenging for centres and students.

Reports on individual questions

Section A

Question 1-10

The multiple-choice questions included questions across the 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 identify the source document applicable for five transactions. Most were able to gain good marks for this question, though some candidates appeared to confuse source documents with books of original entry.

Question 12

The question focussed on stakeholders and types of business organisation.

(a) required candidates to state one difference between the objectives of private sector organisations and public sector organisations and the question was well answered

(b) required candidates to identify three stakeholders that may have an interest in the financial statements of a private sector organisation. Over half of all candidates were able to correctly identify three stakeholders for all three marks and most gained at least two of the available three marks.

Question 13

The question focussed on irrecoverable debts.

(a) asked candidates to state one accounting concept applied when making a provision for irrecoverable debts. 80% of candidates correctly identified either prudence or matching/accruals.

(b) required candidates to state one difference between an irrecoverable debt and a provision for irrecoverable debts. Responses were disappointing with many being too vague to be rewarded.

(c) required candidates to complete a tick box to identify in which section of the financial statements two items would appear. Only 40% of candidates gained any marks for this task.

Section B

Question 14

(a) Candidates were required to prepare a trial balance from a list of balances provided. Pleasingly, 40% of candidates prepared a totally correct trial balance though less well-prepared candidates clearly had not learned the basics of double entry bookkeeping.

(b) required candidates to prepare journal entries to correct three errors in a trial balance. Results were very disappointing with only 10% of candidates gaining full marks. A large number of answers were not presented in an acceptable format for journal entries and, once again, many candidates demonstrated a lack of basic double entry knowledge.

Question 15

The question concentrated on the accounting requirements of a sole trader.

(a) Given three transactions between a buyer and seller, candidates had to identify the book of original entry for each. Most candidates answered the question well though some were confused as to whether to use sales or purchases books.

(b)(i) required candidates to prepare the sales ledger account in the trader's books to account for the three transactions. Results were generally disappointing. As is often the case when preparing ledger accounts, narratives were frequently incorrect, and the lack of basic double entry skills was again very apparent.

(b)(ii) required candidates to state in which section of the financial statements the closing balance would appear. Approximately only one half of candidates were able to make the correct choice.

(c) Candidates were asked to evaluate the trader's proposal to offer credit sales to customers. The full range of marks was evidenced in candidates' responses with a number of excellent full mark answers. The main weakness was a failure of several candidates to offer valid development of identified points.

Question 16

The question focussed on completion of a cash book and preparation of a bank reconciliation statement.

(a) Candidates were required to state two advantages of preparing a bank reconciliation statement and although some responses were rather vague, most candidates were rewarded for their answers.

(b)(i) required candidates prepare the updated cash book to account for entries that had been omitted. As referred to earlier in this report, the most common weakness was for candidates to again enter incorrect details in the cash book. As previously reported, as an example, the correct narrative for a direct debit is the account where the amount is to be posted – in this case, telephone.

(b)(ii) required preparation of a bank reconciliation statement. Well-prepared candidates were able to gain good marks for this task though it was apparent that several candidates were unfamiliar with the process of preparing a bank reconciliation statement.

(c) required candidates to state in which section of the financial statements the closing balance would appear. Less than one half of candidates were able to make the correct choice.

Question 17

The question focussed on non-current assets and depreciation.

(a) required candidates to state two causes of depreciation and the majority of candidates gained two marks.

(b) Asked to state one difference between capital expenditure and revenue expenditure was well answered by most candidates for two marks.

(c) Candidates were required to complete a tick box to identify whether the delivery costs of a motor vehicle and motor insurance were classified as capital expenditure or revenue expenditure. This was well answered by most candidates for two marks.

(d) Asked to calculate the carrying value of the motor vehicle that was sold proved troublesome to most candidates with only 10% recording the correct answer.

(e) Candidates were required to prepare the provision for depreciation account. Only a small number of candidates gained full marks for the question and once again, the most disappointing aspect was lack of correct narratives in the account.

(f) For the final task, candidates were required to prepare the asset disposal account. This produced a similar disappointing response as the previous question, often for exactly the same reasons.

Question 18

The final question focussed on control accounts and computerised accounting systems.

(a) Candidates were asked to prepare a trade receivables ledger control account from a given data set. As is often the case with questions of this nature, answers were generally very good with over half of all candidates receiving at least six of the available eight marks.

(b) Asked to state two reasons why a customer's cheque may be dishonoured by the bank produced several excellent answers.

(c) The final task required candidates to evaluate whether a trader should change from a manual system to a computerised system of bookkeeping, and I am pleased to report that there were several first class responses. Candidates are beginning to recognise that to gain good marks in this type of question, identified points must go on to include valid development.

Points for future sessions

I repeat 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 a particular weakness in this particular 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 evaluation questions students should always provide a conclusion which sums up and supports their findings.

Grade boundaries

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