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Examiners' Report  
Principal Examiner Feedback

January 2020

Pearson Edexcel International GCSE  
Accounting (4AC1)

Paper 01

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## **General comments**

Centres are once again to be congratulated on their preparation of students for the January 2020 IGCSE accounting examination. Many students were able to demonstrate a good 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 included questions 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 Q8 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 sales invoice. Most students were able to gain good marks for this task though some added the trade discount rather than deducting.

#### **Question 12**

Students were required to complete a table identifying whether five items of expenditure were of a capital or revenue nature. Many students were able to gain all five available marks for this task.

#### **Question 13**

The task dealt with the provision for irrecoverable debts, firstly calculating the closing balance on the provision and then completing the provision for irrecoverable debts account. Responses were rather mixed with a number of students struggling to complete the double entry.

## Section B

### Question 14

- (a) Students were required to complete a table identifying the business document and book of original entry for three transactions. Whilst most were able to correctly identify the cash book and petty cash book, only a minority identified the journal for recording the purchase of a new motor vehicle.
  
- (b) Preparation of a credit customer's sales ledger account was mostly well done though students must be more aware of the importance of the correct details in a double entry account.
  
- (c) Students were required to state the purpose of two business documents.
  - (i) A statement of account. Whilst most students seemed aware of the purpose, answers were often very vague.
  - (ii) A remittance advice. Again, there were many vague responses and only a minority of students were aware that it is to inform the supplier of transactions being settled.

### Question 15

- (a) Most students correctly identified that the trial balance checks the arithmetical accuracy of the double entry.
  
- (b) Students were required to identify the type of error referred to in three sentences. Whilst most students correctly identified the error of omission, many confused the error of principle with the error of commission.
  
- (c) Students were then required to complete a trial balance and identify the suspense account item when it failed to balance. Whilst there were a number of totally correct answers, too many students failed to attempt a balance by totalling the columns.

## **Question 16**

- (a) Students were required to prepare a trade payables 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, but once again students should learn to enter correct details for transactions.
- (b) Many students were able to suggest a possible reason for a debit balance on a trade payables ledger control account, with most suggesting overpayment to a credit supplier.
- (c) Students were required to explain two reasons for preparing a trade payables ledger control account and there were many responses showing a good understanding of the purposes, Students must be aware that when asked to explain, a single sentence seldom suffices. A point must be identified and then developed for the second mark.

## **Question 17**

- (a) Students were required to complete a cash book from a given data set. The question proved troublesome to less well-prepared students with only a very small number gaining full marks. Sadly, the responses displayed a lack of double entry knowledge from many students and once again, the details column was very frequently incorrectly completed.

## **Question 18**

- (a) Students were required to prepare a provision for depreciation account from a given data set. The task was not well answered by a large number of students with many failing to correctly calculate the depreciation on the disposal and many displaying a lack of knowledge to transfer the depreciation for the year to the income statement.
- (b) Following preparation of the above account, students were required to prepare the disposal account. Whilst there was some noticeable improvement in this task, a large number of students carried down a closing balance instead of transferring to the income statement.
- (c) For the final task, students were required to evaluate the benefits of purchasing a computerised accounting package. Most responses relied too heavily on simple statements of a benefit with little or no development. Furthermore, many responses lacked a closing evaluation summarising the benefits .

### **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 of 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 provide a conclusion which sums up and supports their findings.

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