

# Principal Examiner Feedback

January 2013

International GCSE Accounting (4AC0)  
Paper 01

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Publications Code UG034159

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## General comments

Overall the standard of scripts showed some improvement in the standard compared to previous sittings. The majority of candidates were able to score some valuable marks in the presentation of final accounts and questions which were routine in nature. Centres need to be aware that questions can be asked on any part of the specification and should also aim to ensure that candidates are well prepared for alternative approaches to questions.

## Specific comments

### Questions 1 – 10

As usual the multiple choice questions provided a good indicator of candidate performance in the rest of the paper. Many candidates scored highly in all the questions but weaker candidates found the questions which required more analytical skills difficult. However there were several candidates who successfully scored full marks in this section and are to be commended for their efforts.

### Question 11

- (a) Candidates were required to complete a ledger account from given data. The responses to this question were of a generally good standard with the majority of candidates clearly understanding the requirements of the task. Weaker candidates did not read the question correctly and treated the customer as a supplier which was incorrect. When preparing ledger accounts candidates need to be reminded of the importance of correct narratives. There are still many candidates who have difficulty with balancing off accounts and centres are advised to concentrate on this area of the specification.
- (b) Candidates were required to state the section of the balance sheet where the closing balance of an account would appear. Candidates who successfully completed (a) were able to answer this correctly.
- (c) Candidates were able to explain the meaning of two types of discount. The majority of candidates were able to score some marks here with stronger candidates developing their responses to score full marks.
- (d) Candidates were required to state how cash discount would be shown in the ledger. This was well done by most candidates.

## Question 12

- (a) Candidates were required to produce an appropriation account for a limited company from given data. The standard of answers was variable with most candidates being able to score some marks.
- (b) Candidates were required to produce a balance sheet for a limited company from given data. In general this question was answered very well by the majority of candidates. The most common errors were in dealing correctly with the debentures which should have been treated as a long term liability. However the majority of candidates did provide well laid out statements and were rewarded accordingly.
- (c) Candidates were required to state the formula for the current ratio and the quick ratio and use their figures from (b) to calculate these two ratios. This was reasonably well done by candidates but candidates need to note that when a question asks for the answer to two decimal places then candidates need to comply with that requirement to gain full marks.
- (d) Candidates were required to evaluate the importance of each ratio calculated in (c). The standard of responses were variable with a small number of candidates scoring full marks by providing a balanced response.

## Question 13

- (a) Candidates were required to prepare journal entries to deal with the correction of several errors and omissions. The most common error here was in not correctly labelling the journal entries with the correct account name even though they were given in the question. Weaker candidates did not identify that the third error was a reversal and as such needed to double the amount when making their entries.
- (b) Candidates were required to produce a profit and loss account from given data after making the adjustments required in (a). This was generally well done with most candidates correctly identifying that the business made a net loss.
- (c) Candidates were required to suggest reasons why a sole trader's capital had been decreasing and state ways in which this situation could be improved. Candidates correctly identified that the main cause was excessive drawings by the owner and suggested several ways in which the situation could be improved.

#### **Question 14**

- (a) Candidates were required to produce an appropriation account for a partnership from given data. In general this question was answered very well by the majority of candidates. The most common errors were in the calculation of the share of profits which weaker candidates omitted to do.
- (b) Candidates were required to produce a current account for one of the partners using their answers to (a). As with the appropriation account this was well answered by the majority of candidates.
- (c) Candidates were required to explain the meaning of three accounting concepts and provide an example to illustrate its application. There were very few excellent responses to this question though most candidates were able to score some marks by providing a basic meaning. Weaker candidates provided an explanation of an accrual which was not required.

#### **Question 15**

- (a) Candidates were required to prepare a bad debts account from given data. Well prepared candidates were able to score full marks in this question but there were many who appeared to not be prepared for this type of question and struggled to achieve any marks.
- (b) Candidates were required to produce a debtor account from given data and deal correctly with the writing off of a bad debt. As in (a) this was not well done with only the well prepared candidates achieving any marks.
- (c) Candidates were required to explain the difference between capital expenditure and revenue expenditure and state how each would be treated in the end of year accounts. This was generally well done by the majority of candidates with many scoring full marks.
- (d) Candidates were required to demonstrate their knowledge of capital expenditure and revenue expenditure by identifying which transactions belonged to each category. As in (c) this was well answered by the majority of candidates.

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