

Examiners' Report/  
Principal Examiner Feedback

January 2014

Pearson Edexcel International GCSE in  
Accounting (4AC0) Paper 01

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# **International GCSE Accounting (4ACO) January 2014**

## **General comments**

As in previous sessions there are still candidates who are unable to deal correctly with ledger accounts in particular the balancing off routine which is important for candidates in order to score higher marks. Additionally candidates need to ensure that they are using the correct narratives in their ledger account. However the majority of candidates were able to score some valuable marks in the presentation of financial statements and questions which were routine in nature.

## **Specific comments**

### **Section A**

#### **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 state two reasons why it was possible to have a credit balance in a sales ledger control account. The responses to this question were disappointing overall with many candidates clearly not understanding the requirements of the task.
  
- (b) Candidates were required to produce a sales ledger control account from given data. There were some excellent answers to this task but several candidates either excluded the credit balance or dealt with it incorrectly. Correct narratives are still a problem for candidates. The correct narrative should indicate which book or account the information has been posted from.
  
- (c) (i) Candidates were required to calculate the debtor's collection period. The responses to this were variable with several candidates scoring full marks and weaker candidates either using the wrong formula or stating the figure in terms months as opposed to days as required.

(ii) Candidates were required to use their figure from (i) to comment on the debtors collection period and state whether the business would be satisfied with the figure. Responses were of a variable standard though most candidates were able to gain some marks by using their own calculated figure.

### **Question 12**

- (a) Candidates were required to state two differences between a partnership and a limited liability company. Candidates found this difficult and provided weak responses which did not answer the question but were of a generic nature.
- (b) 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 error was the inclusion of drawings in the account. However the majority of candidates did provide well laid out statements and were rewarded accordingly.
- (c) Candidates were required to produce the current accounts of one of the partners using the data from (a). Again this was well done by most candidates with credit being given for the use of incorrect figures from their own statements. Candidates are reminded of the need to balance off the accounts as asked for in the question in order to gain full marks.
- (d) Candidates were required to calculate two performance ratios from given data. The majority of candidates were able to correctly calculate the gross profit percentage but a large number of candidates were unable to identify the correct formula for the rate of stock turnover.
- (e) Candidates were required to evaluate the causes of the change in the given two ratios over a two year period. There were some good responses to this task with candidates being given credit where they had used their own incorrect figures from (d) in their evaluation.

### **Question 13**

- (a) Candidates were required to produce a subscriptions account for a club from given data. The standard of responses were variable with several candidates scoring full marks. The most common error was the omission or use of incorrect narratives.

- (b) Candidates were required to produce an income and expenditure account from given data. The majority of candidates were able to score well in this task with the most common error being in the calculation of depreciation and the incorrect treatment of expenses owing and prepaid.
- (c) Candidates were required to explain why the surplus calculated in (b) was not equal to the balance of the receipts and payments account. This was well answered by the majority of candidates with clear explanations being provided.

#### **Question 14**

- (a) Candidates were required to explain the reasons why a bank reconciliation statement is prepared by a business. Generally this was well done but weaker candidates did not develop their responses, for example, just stating the prevention of fraud without saying how this would be the case. Candidates need to be guided by the number of marks stated for a question and respond accordingly.
- (b) Candidates were required to identify two items which may appear in a bank statement but not in a cash book. Again this was generally well done but no credit was given for responses such as 'Unpresented Cheques' and 'Outstanding Lodgements' as they would have already been entered in the cash book. Responses such as 'Bank Charges' and 'Dishonoured Cheques' were the most common correct response.
- (c) Candidates were required to draw up a bank reconciliation statement from given data. Candidates were provided with the two balances which needed to be reconciled which many candidates were able to do correctly.
- (d) Candidates were required to state the amount to be shown for cash at bank in the balance sheet and which section of the balance sheet this would be shown. The correct response was £6 564 as this was the closing balance of the cash book and not £4 763 as this was the closing balance on the bank statement and therefore would have no effect on our records. Most candidates were able to state the correct section of the balance sheet.

#### **Question 15**

Candidates were required to complete two ledger accounts from given data, one being an expense account and the other an income account. Several candidates were able to score full marks here with the most common error being the use of abbreviation for narratives such as 'P & L' or the omission of the narrative. As in previous sessions many candidates are still unable to balance an account off correctly.



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