

# Examiners' Report

## IGCSE Accounting (4305)

June 2006

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## **4305 ACCOUNTING, EXAMINER'S REPORT**

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### **General Comments**

There were many well set out papers showing that the majority of candidates had prepared appropriately for this examination. However, centres should note that abbreviations such as 'B b/d' instead of 'Balance b/d' were considered inappropriate and given no credit.

### **Question 1**

The multiple choice items proved to be a good indicator of performance over the rest of the paper. The most difficult items turned out to be (a) and (d). In item (a) the vast majority selected C instead of the correct response of B. In item (d) only a small number of candidates knew that a bad debt recovered is income in the profit and loss account.

### **Question 2**

Areas of difficulty were: failure to show trade discount and incorrect calculation of VAT when cash discount was shown on the invoice; VAT account, where narrations did not indicate the correct double entry.

### **Question 3**

Areas of difficulty were: incorrect calculation of sales; incorrect treatment of loan interest; new equipment included in the profit and loss account. Otherwise the final accounts were very well prepared.

### **Question 4**

Fortunately for candidates, this question carried relatively few marks. It was very poorly done. The average candidate did not appear to understand the concept of preparing a reconciliation statement and amending the cash book. The notion that the corrected bank statement balance would be the same as the corrected cash book balance was alien to most. The importance of bank reconciliation was similarly not understood.

### **Question 5**

This was reasonably well done but even the better candidates found it hard to deal with carriage or returns. Only a handful of candidates were able to calculate the correct capital figure.

### **Question 6**

Most candidates knew about profitability, some knew the acid test. Entire Centres either knew or did not know mark up and margin. It was recognized that (d) would be stretching for most. In (e) the total lack of knowledge on prudence, on the part of most candidates, was disappointing.

### **Optional Computerised Accounting Paper**

In this first year of examination there were very few entries for this optional endorsement paper.

Candidates' performances covered the entire range, from virtually faultless showing impeccable interpretation of the requirements to scripts including printouts that were not required and omitting printouts that were absolutely essential.

This aspect of IGCSE Accounting is unique, highly vocational and greatly enjoyed by Accounting students. It is strongly recommended for Centres' consideration. Software is available at a nominal charge and INSET would be considered according to demand.

## **4305 ACCOUNTING, GRADE BOUNDARIES**

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Grade	A*	A	B	C	D	E	F	G
Lowest mark for award of grade	76	65	54	43	37	31	26	21

Computerised Accounting is awarded at Distinction, Merit, Pass or Fail, according to the number of total faults made. Please see the mark scheme for further details.

**Note:** Grade boundaries may vary from year to year and from subject to subject, depending on the demands of the question paper.

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