

Examiners' Report/
Principal Examiner Feedback

Summer 2014

International GCSE Accounting
(4ACO_01)

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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 financial statements 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 state a benefit of maintaining control accounts. This was well answered by the majority of candidates with the most common response being to help in the prevention of fraud and to assist in the preparation of final accounts.

- (b) Candidates were required to complete a sales ledger control account and a purchases ledger control account from given data. This was well done in the majority of cases with several candidates scoring full marks. The most common error was the inclusion of cash sales in the sales ledger control account and the use of inappropriate narratives.

- (c) (i) Candidates were required to calculate the creditor's payment period in days from their data in part (b). Several candidates produced the figure in months which was not awarded and several used the wrong formula.

(ii) Candidates were required to indicate if the creditors would have been satisfied with the time taken for the business owner to pay her debts and the implications of this. There were some very good responses here with candidates identifying correctly that this would affect her ability to obtain credit supplies in the future.

Question 12

- (a) Candidates were required to produce a balance sheet for a sole trader from given data. This was well done by the majority of candidates with several candidates using the new international accounting standards format which was awarded accordingly. The most common error was the inclusion of the bank overdraft as a current asset.

- (b) Candidates were required to state the formula for the current ratio, and using their own figures from earlier in the question to calculate this ratio. This was reasonably well done by most candidates.
- (c) Candidates were required to use their response from (b) to evaluate whether the owner of the business would be satisfied with the current ratio. This was well answered by many candidates with full and competent responses being given. Weaker candidates failed to address the main requirement of the question which was to state the effect on the businesses of having a ratio which is outside the normal range of 2:1 for this ratio.

Question 13

- (a) Candidates were required to explain the difference between direct and indirect wages. The standard of responses was variable with most candidates able to gain some marks with a basic response.
- (b) Candidates were required to calculate the prime cost from given data. Overall this was well done with candidates producing a clear and accurate figure. The most common error was in the inclusion of the finished goods stock which would have been entered in the trading account.
- (c) Candidates were required to state the entries required to correct given errors. Candidates always find this type of question difficult with weaker candidates unable to identify the correct account name or erroneously using the names of books instead.

Question 14

- (a) Candidates were required to explain the nature of entries from a given ledger account and where the corresponding double entry would appear. Generally this was poorly answered with candidates failing to follow the given example and only providing superficial responses which did not gain any marks. When responding to these types of questions it is necessary to follow the guidance given and, as in this case, provide both the account name and the correct side of the account.
- (b) Candidates were required to evaluate the advantages and disadvantages to a business of investing in a computerised accounting package. This was a new type of question for this paper and was not well done by the majority of candidates. Many candidates simply provided a brief list which did not provide any evaluative or developed comments. Candidates need to be guided by the number of marks allocated to a question and structure their responses accordingly.

Question 15

- (a) Candidates were required to state two ways in which a business could encourage their credit customers to pay their debts promptly. The majority of candidates were able to score some marks here but many failed to develop their responses to, for example, stating the effect on the businesses cash flow of debtors paying the amounts due early.

- (b) Candidates were required to prepare a provision for doubtful 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.

- (c) Candidates were required to state the effect on the businesses net profit of a decrease in provision for doubtful debts. This was well answered by the majority of candidates with candidates being able to clearly identify that the net profit would increase due to this reduction.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:

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