



Examiners' Report
Principal Examiner Feedback

November 2020

Pearson Edexcel International GCSE
In Accounting (4AC1)
Paper 01R

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PE REPORT ON GCSE INTERNATIONAL BUSINESS 4AC1 01R – November 2020

General comments

Given the difficulties caused worldwide by the pandemic, centres are to be congratulated on their preparation of students for the November 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 carefully read the whole question before selecting their response. This was particularly important in Q9 and Q10 where the questions required students to follow through all alternatives in order to reach the correct response.

Question 11

Students were required to complete the detail of a credit note. 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 which items were capital expenditure and which were revenue expenditure. Most candidates performed well on this task though a number misallocated the delivery cost as revenue expenditure.

Question 13

- (a) Students were required to prepare a journal entry to write off an irrecoverable debt. This was well answered by many students and it was pleasing to note that the vast majority also included a relevant narrative.

- (b) Calculation of the balance of the provision for irrecoverable debts caused problems to less well-prepared candidates. Many failed to reduce the trade receivables by the irrecoverable debt before calculating the balance of the provision.

Section B

Question 14

- (a) Required to state the source document and book of original entry for three transactions produced mixed responses, particularly in respect of the source documents.
- (b) Part (i). Students were required to prepare the payables ledger account for a supplier detailing three transactions. Most performed well in this task though narrative in the details column was often incorrect.

Part (ii) required students to identify the ledger in which this account would be maintained and most correctly identified the payables ledger.

- (c) Parts (i) and (ii) required students to state one reason why a business offers trade discount and cash discount. Most students were able to correctly answer part (i) though many wrongly stated that a cash discount was offered for a cash payment rather than for prompt payment.

Question 15

- (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.

- (b) Most students were able to correctly state that the closing bank balance was a liability.

Question 16

- (a) Students were required to prepare a trade receivables 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) Asked to evaluate two benefits of maintaining a trade receivables ledger control account was well answered by a large number of students though a common weakness often found in evaluative questions was the requirement to provide a conclusion.

Question 17

- (a) Students were required to complete a trial balance from a given list of balances. Most performed well on this task and there were a number of totally correct answers. Sadly, less well-prepared candidates clearly had not learned the basics of double entry.
- (b) Most students correctly identified the errors as principle in error 1 and commission in error 2.
- (c) Most students correctly identified speed and accuracy as the two benefits of computerised accounting.
- (d) Most students correctly stated two methods of protecting data from unauthorised access.
- (e) Asked to state one difference between a public sector organisation and a private sector organisation was well answered by most students.

Question 18

- (a) Required students to calculate the total depreciation charged on a machine that had been sold and the results were mixed. Some candidates incorrectly applied the reducing balance method of depreciation whilst others calculated only a single year's depreciation rather than two years.
- (b) Preparation of the provision for depreciation accounts was not well answered. Few students were able to gain full marks and several, clearly not prepared for this task, were unable to correctly identify which entries were debit and which were credit.
- (c) Required candidates to prepare the asset disposal account and whilst well prepared candidates were able to gain full marks, those that struggled on the previous task often failed to provide an answer at all.
- (d) The final task was to evaluate the effect on the financial statements of changing the depreciation method from straight line to reducing balance. Few students were able to gain more than two marks of the available five for this task and once again there was often an absence of a conclusion to this evaluative question.

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.