

Examiners' Report/
Principal Examiner Feedback

Summer 2012

International GCSE Accounting (4AC0)
Paper 01

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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.

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 complete a sales ledger control 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. 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 explain how a contra entry can arise in a sales ledger control account. The majority of candidates were able to state the main points but many failed to develop their answer fully to score full marks.
- (c) Candidates were able to identify correctly what the advantages of producing a sales ledger control account are.

Question 12

- (a) Candidates were required to state the accounting equation, i.e. $\text{assets} = \text{capital} + \text{liabilities}$. This was generally well answered by the majority of candidates with variations in the formula being accepted for full marks. Candidates were then able to develop their answer and show how the capital figure was arrived at. In the final part of the question weaker candidates were unable to fully explain the effect of creating a provision for doubtful debts but the majority of candidates were able to score some marks.

- (b) Candidates were required to define two common accounting terms, capital expenditure and revenue expenditure. Whilst this was overall completed to a good standard weaker candidates simply provided examples such as machinery, wages etc which attracted no marks. Candidates need to take note of the number of marks awarded for a question and structure their answer accordingly.
- (c) Candidates were required to evaluate the effect of the incorrect treatment of capital and revenue expenditure. As in previous sessions the responses here were mixed with candidates failing to provide a balanced response.

Question 13

- (a) Candidates were required to produce a trading and profit and loss account 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 the calculation of the depreciation charge and dealing correctly with the debenture interest. However the majority of candidates did provide well laid out statements and were rewarded accordingly.
- (b) Candidates were required to produce an appropriation account for a limited company from given data. As in part (a) this was well answered by the majority of candidates.
- (c) Candidates were required to calculate the gross profit margin. This type of question has been asked several times recently and candidates seemed well prepared.
- (d) Candidates were required to calculate the net profit margin. This type of question has been asked several times recently and candidates seemed well prepared.

Question 14

- (a) Candidates were required to state the purpose of a trial balance. The majority of candidates were able to state the correct response which is to check the arithmetical accuracy of the ledger.
- (b) Candidates were required to identify two types of errors which would not be identified from a trial balance. Most candidates were able to provide correct responses to this.
- (c) Candidates were required to give two examples of errors which would be identified from trial balance. Several candidates did not read the question carefully and repeated their answer to (b). Well prepared candidates did however produce some excellent responses.

- (d) Candidates were required to state the formula for working capital which presented few problems for most candidates.
- (e) Candidates were required to calculate working capital from given data which presented few problems for most candidates.
- (f) Candidates were required to evaluate fully the effect of poor working capital management and how a sole trader could improve their working capital. Overall there were some excellent responses to this question with most candidates being able to score some marks. The more able candidates calculated the working capital ratio and used that in their response.

Question 15

- (a) Candidates were required to produce an income and expenditure account for a club from given data. Overall the responses to this question were disappointing. The most common areas of difficulty for candidates were the calculation of the subscriptions figure and dealing correctly with the writing off of unpaid subscriptions.
- (b) Candidates were required to identify two differences between a receipts and payments account and an income and expenditure account. Overall this was well answered by the majority of candidates although weaker candidates provided poorly throughout responses. The key to this type of question is to read carefully what is required, i.e. the difference between the two, not simply a definition of each.

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