



Pearson
Edexcel

Examiners' Report Principal Examiner Feedback

Summer 2024

Pearson Edexcel International GCSE
in Accounting (4AC1)
Paper 2: Macroeconomics and the Global
Economy

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

Summer 2024

Publications Code 4AC1_02_2406_ER

All the material in this publication is copyright

© Pearson Education Ltd 2024

General

Centres are again to be congratulated on their preparation of students for the June 2024 IGCSE accounting examination. Well prepared students were able to again demonstrate a good understanding of bookkeeping and accounting.

As will be seen from my detailed comments below, there continues to be issues around the inclusion of incorrect labels in financial statements, often the use of old terminology. Centres are advised to concentrate on this when preparing students for examination.

It was pleasing to note that questions requiring a discursive response did show some signs of improvement but students need to be aware of the significance of these questions if they are to access higher grades. Again, centres are advised to concentrate on this when preparing students for examination.

Report on individual questions

Questions 1

The question focussed on the financial statements of a partnership business.

(a)(i) Candidates were required to prepare an income statement for a business from a list of data provided, taking into account depreciation on motor vehicles, creation of a provision for irrecoverable debts and adjustments to expenses in respect of accrued and prepaid expenses. Overall performance in this task was excellent with almost 50% of candidates gaining at least 16 of the available 20 marks. Presentation of the statement showed noticeable improvement from previous series.

(a)(ii) Candidates were required to prepare the partnership appropriation account and almost one quarter of candidates gained full marks for this task. Presentation of the account was often less well done than the previous task. Candidates must be aware that each partner's name must be recorded against the interest on capital and also the partner's salary – failure to do so resulted in lost marks for several.

(b) Candidates were told that the partners were considering introducing a third partner into the business and were asked to explain the advantages and disadvantages of the proposal with advice as to whether they should proceed. There were lots of excellent responses to this task with many candidates referencing the additional skills and expertise to be acquired and the disadvantage of having to share profits. Well-prepared candidates offered valid development to their identified points whilst others offered only the identification and therefore restricted their available marks.

Question 2

The question focussed on financial statement of a sole trader and on evaluation of liquidity.

(a)(i) Candidates were given details of the opening transactions of a new business and were required to calculate the opening equity. Despite there only being three aspects – cash and a motor vehicle introduced and a bank loan - a variety of answers were seen suggesting that some candidates were not aware of the difference between assets and liabilities.

(a)(ii) Candidates were required to prepare the statement of financial position having been provided with data at the year-end including a list of closing balances and four transactions that had not been accounted for. As referred to in previous examinations, several candidates lost marks as a result of the use of abbreviations and old terminology. Whilst well-prepared candidate were able to gain high marks, others appeared to have little idea of what a statement of financial position is, often just producing a list of figures or in a few cases, a trial balance.

(b) Candidates were required to discuss two reasons why a business should maintain full accounting records. Responses were often very good with identification of a reason and the development of that point. Once again, less well-prepared candidates often provided a reason but made no attempt to offer development to gain further marks.

(c) Candidates were provided with the current ratio and the quick ratio of a business over two years and were required to evaluate the changes in liquidity and further to discuss the implications of the changes for the business's credit suppliers. Most candidates were able to offer a valid discussion of the changes but many failed to address the implications for the credit suppliers. Well-prepared candidates recognised that the worsening liquidity meant possible difficulty in meeting short-term debts which may result in withdrawal of credit facilities or late payment interest charges.

Points for future sessions

I shall once again repeat advice that I have recorded on previous reports.

- Candidates must provide the correct format for all financial statements using the correct new terminology and should not use any abbreviated labels.
- When responding to questions which require prose responses students should be guided by the numbers of marks allocated and structure their responses in a logical manner.

- When dealing with explain or discuss questions, candidates must always offer development of an identified point in order to gain all of the available marks.
- When dealing with evaluative questions students should always provide a conclusion which sums up and supports their findings.

Grade Boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link: <http://www.edexcel.com/iwantto/Pages/grade-boundaries.aspx>

