



# Examiners' Report Principal Examiner Feedback

October 2023

Pearson Edexcel International Advanced Level  
In Accounting (WAC11) Paper 01  
Unit 1: The Accounting System and Costing

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## **General comments**

The Examiners noted that the standard achieved in this examination showed a continued improvement on some recent examinations following a difficult period for centres and candidates. In general, the overall standard of responses to the October 2023 examination were more robust than examiners had seen during the pandemic period. Centres are to be congratulated for their work in achieving this improvement.

Candidates answered all questions on the examination paper consistently. In particular, it was noted that the costing elements of questions were answered with greater confidence and accuracy than in previous examinations. Although the standard of responses generally improved it was again noted that for a minority of candidate's entry to the examination was premature.

## **Specific comments**

### **Question 1**

Candidates generally prepared excellent answers to the questions on the financial statements. The statement of profit or loss and other comprehensive income was generally substantially correct with expenses and income correctly calculated. The appropriation section was in good format and the profit correctly allocated.

Entries in the capital account generally resulted in a closing capital of £22 000 when candidates should have worked backwards from a closing capital of £20 000. The current account was generally correct.

The statement of financial position was again substantially correct. In particular, the adjustments to the non-current assets were carried out with accuracy. Liabilities were correctly recorded and labelled.

The evaluation of whether a bank loan or the introduction of more capital from the two partners private resources would be more appropriate varied substantially. Some candidates addressed the issue, others raised other issues such as the introduction of a new partner as an option when this was not what was being examined.

### **Common errors**

- The capital account of Bipul, starting with a balance of £20 000 instead of ending with that balance.

- Evaluation, addressing the question asked of whether a bank loan or the existing partners introducing additional capital would be most appropriate.

## **Question 2**

Candidates could generally accurately calculate sales, purchases and prepare a statement of profit or loss and other comprehensive income.

In part (c) the calculation of the cost of sandwiches was again very accurately prepared.

There were a minority of candidates who could not explain the terms day work or piecework. Those candidates appeared to be unaware of the workings of remuneration of those systems.

Candidates were generally able to calculate the cost of a sandwich using piecework as a method of remuneration with accuracy.

Candidates who were unaware of the working of the two remuneration systems had difficulty in calculating the alternative earnings of the employee.

Again, the evaluations varied greatly. The majority of candidates addressed the advantages and disadvantages of using day work and piecework and prepared an appropriate conclusion from their arguments. A minority of candidates were unable to evaluate due to their lack of understanding of the two remuneration methods.

Common errors

- An understanding of the workings of daywork and piecework as methods of remuneration.
- The comparative advantages and disadvantages of day work and piecework as methods of remuneration.

## **Question 3**

Candidates' generally prepared informative and accurate answers to the question.

Candidates were generally aware of the possible uses of control accounts. They could then progress to the preparation of a control account which was substantially accurate in part (b) of the question.

The preparation of the journal entries for the recovery of an irrecoverable debt which had been 'expensed' was limited. However, candidates could state actions that could be taken to ensure that irrecoverable debts were reduced.

The evaluation of a strategy of offering sales for cash only was explained well.

Common errors

- Journal entries for the recovery of a previously 'expensed' irrecoverable debt.

#### **Question 4**

Candidates were generally limited for their reasons behind the calculation of use of assets and profitability ratios.

The calculation of the six ratios were substantially correct. However, the interpretation of what those calculations were indicating varied considerably. The examiners are looking for a qualitative judgement on the movement of that ratio. It is not sufficient to say that it has increased/decreased we need to know whether that is an improvement or a deterioration.

The evaluation of a social accounting approach from many candidates was very limited. This topic has been examined many times before, but on this occasion, candidates understanding was very limited.

Common errors

- Lack of qualitative judgement on the movement of a ratio. Is the movement an improvement or a deterioration?
- Understanding what social accounting is and its implications for a business.

#### **Question 5**

The explanation of the three accounting terms was limited from most candidates. Most candidates understood business entity but failed to explain the other two concepts.

Candidates generally equipped themselves well in preparing the production cost, profit statement and bank summary. Responses were substantially accurate and were awarded appropriately.

The evaluation was completed by considering a number of considerations for and against.

Common errors

- Understanding of the realisation concept and accruals concept.

### **Question 6**

Candidate's explanation of the two types of error varied greatly. Some were very accurate and thorough, and many others were lacking in clarity.

The journal entries to correct the errors were generally substantially accurate and in good format. The suspense account and calculation of the revised profit were also substantially accurate from most candidates.

The evaluation considered a variety of points for and against and reached an appropriate conclusion.

Common errors

- Candidate's explanation of the two types of errors.

### **Summary**

Centres may wish to consider the following key points which emerged during the October 2023 examination to ensure that their candidates are best equipped to succeed in future examinations.

### **Key points for centres to consider**

1. Evaluation, reading and addressing the question asked
2. An understanding of the workings of daywork and piecework as methods of remuneration
3. Journal entries for the recovery of a previously 'expensed' irrecoverable debt
4. Lack of qualitative judgement on the movement of a ratio. Is the movement an improvement or a deterioration?
5. Understanding what social accounting is and its implications for a business

