

Examiners' Report/ Principal Examiner Feedback

January 2010

GCE

GCE O Level Accounting (7011) Paper 01

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PE Report on Examination Paper 7011 01 January 2010

General Comments

Overall this paper was well answered by the majority of candidates. The biggest areas of concern are the poor preparation of ledger accounts and dealing with questions where the candidate has to provide a narrative answer. This type of question will remain common at this level and centres need to ensure that candidates are well prepared for both computational and narrative style questions. There was also evidence of candidates not reading the requirements of the question correctly as in question six where candidates were required to produce their answers to two decimal places.

Comments on individual questions

Question 1

This question was reasonably well answered by candidates, with the majority drafting fairly accurate Purchases Day Book, Purchases Returns Book and purchases ledger accounts. Common mistakes included the inaccurate calculation of VAT on O Okra's account in the PDB owing to the failure by many candidates to first of all deduct the 5% cash discount. Narratives and dates were also 'poor' in some of the answers provided. Part 1 (c) - the preparation of Aubergines Control Account caused some difficulties for candidates particularly with the accurate calculation of the purchases and Bank figures. However, with OF, permitted marks were still obtained in many solutions.

Question 2

Candidates who attempted this question accurately prepared the trading and profit and loss account and balance sheet and in most cases achieved near full, if not, full marks for part (a) and (b). In part (c) commenting on the profitability of the business was poorly answered by candidates. Little or no evidential expansion of comments by the inclusion of supporting figures, such as the loss figure generated on a capital figure or sales figure or reference to the bank loan was demonstrated in very few candidate answers; hence marks awarded for this question were very low. Similarly, in part (c) (ii) despite candidates identifying possible ways of the business improving its profit and loss situation, no development of solutions was provided, therefore again restricting the opportunity for candidates to achieve full marks; 50% or less marks was generally awarded for this part of the question.

Question 3

Candidates attempting this question drafted fairly accurate journal entries in response to Part (a). Commonly occurring mistakes throughout answers included the failure to provide accurate narrative to item (ii) with regard to the burglary of stock and insurance company compensation.

In response to Part (b) of this question, whilst candidates did provide reasonable advantages and disadvantages for switching from manual to customised accounting software, many missed the opportunity to gain additional marks by their failure to develop their points and provide a balanced conclusion.

Question 4

In this question, candidates prepared fairly accurate ledger accounts. In some cases narratives were of poor quality, particularly when it came to differentiating between P&L and Bank figures. Marks were mainly lost in this question for the failure to 'bring down' the balance on ledger accounts.

Question 5

Of the six questions on this paper, this question was the one which commanded to greatest volume of accurate candidate answers. Candidates demonstrated a clear coherence and relatively high level of competence in drafting a Receipts and Payments account and income and expenditure account. A few variations in the construction of the balance sheet occurred but candidates managed to attain a high level of marks for the question overall.

Question 6

Candidate answers to this questions, in particular to 6 (a), clearly demonstrated their inability to follow clear concise instructions with regard to the calculation of ratios to 2 decimal places. In many answers, candidates either rounded the ratio to one decimal place or rounded the ratio incorrectly altogether, therefore forfeiting at least one of the marks in each of the ratio calculations.

Part 6(b) responses demonstrated a fair degree of competence with regard to commenting on the businesses performance and candidates did include supportive financial data (ratios, accounting data) as part of their overall answers. However, limited evaluative comments were included or points developed to produce any summary/conclusion to answers.

Statistics

Grade	A	B	C	D	E
Grade Boundaries	132	109	87	77	57

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