

A-level **ACCOUNTING**

ACCN1 Introduction to Financial Accounting
Report on the Examination

2120
June 2014

Version: 1.0

Further copies of this Report are available from aqa.org.uk

Copyright © 2014 AQA and its licensors. All rights reserved.

AQA retains the copyright on all its publications. However, registered schools/colleges for AQA are permitted to copy material from this booklet for their own internal use, with the following important exception: AQA cannot give permission to schools/colleges to photocopy any material that is acknowledged to a third party even for internal use within the centre.

General Comments

The paper appears to have been well received by a majority of students. However, there is some concern that a significant number appeared to be ill prepared for some questions. There is evidence that some centres may have relied too heavily on past question papers and, therefore, did not use a comprehensive approach to teaching the specification. The application of the techniques required to balance accounts and the use of correct terminology was absent from a significant number of papers. On the other hand, it is pleasing to see the inclusion of clear workings in many students' answers. However, a small minority of students are continuing to give answers without showing any workings and are thus liable to lose valuable marks. Hedging, putting items on both sides of the accounts or giving more than one answer in a space box, continues to appear and is not rewarded.

Question 1

- Q1a** Both the source document and the subsidiary book were required to obtain marks. Few students gained all 5 marks available. Most students of average attainment were able to gain marks for items 1 and 2, the least correct answer was item 3 (paying cash sales into the bank).
- Q1b** This was a reasonably well answered question. The mark for correct narratives was easily gained by those students who were able to balance the account correctly with both dates and narratives. The narratives for entries were disappointing with some using the description given in the question, e.g. 'sold goods to Tom Dale'. Here posting entries to the incorrect side lost marks for some students. A small number of answers entered the bank transaction as £480 instead of £456 and £24.

Question 2

Many students found this question difficult. Some students did not answer the question or put all items incorrectly into the purchase ledger control account and nothing into the amended list of balances.

- Q2a** Very few students gained full marks on this question, with most debiting items that should be credited or crediting items that should be debited. Items were incorrectly netted off or omitted. Balancing the account again proved difficult. Entering the balances given proved a stumbling block.
- Q2b** This proved the most difficult of all the questions. A large number of students either failed to answer this question or gained no marks. The best students did pick up marks, however very few gained full marks.

Question 3

This question gave most students the opportunity to gain good marks as it covered a key part of the specification in different ways.

- Q3a** A straightforward correction of errors for which most students were well prepared. Although some students included several references to the suspense account, a large majority gained full marks.

- Q3d** This task presented a good opportunity for students to gain 13 marks entering given items into the trial balance. The most able students gained 12 or 13 marks; the most common marks were 6, 7 or 8. The trial balance underpins the preparation of financial statements and students should be able to produce a reasonable attempt, so it is surprising to note that in a number of papers this question was not attempted.
- Q3e** This gave students the opportunity to show their understanding of the uses of a trial balance in detecting errors. On the whole, this part of the question proved to be reasonably well answered by those who understood that errors affecting the trial balance were required, not those NOT affecting the trial balance. Developing an error by explaining the error proved difficult for some, as did providing the name of the error for others.
- Q3f** The students understanding of the trial balance was again questioned. Most students were able to gain some marks. However, marks were lost by students who vaguely discussed 'accuracy' but did not refer to arithmetical accuracy. Others referred to errors but did not develop their answer and gained only one mark instead of two. It is disappointing when students are vague and fail to develop an answer or fail to express themselves coherently at this level.
- Q3g** Many answers were available for the two marks on this question. A number of students could not differentiate between the general journal and the sales or purchases ledgers or the subsidiary books. Answers here were many and varied including 'checks the bank' or 'to see how the business is doing'.

Question 4

- Q4a** The income statement was answered well by most students who gained 9 or 10 marks. However, the majority of students scored 6 or 7 marks. Students should be able to produce a correctly structured income statement and then should be able to make a reasonable attempt at the answer; sadly there were a number who could not do this. The detail of cost of sales was often shown in any order and sometimes included extraneous items, or was given with items completely omitted. Depreciation was correctly identified then corrupted by the inclusion of provision for depreciation.

The adjustment required to revenue of returns inwards was added by some students. Discount allowed was often treated as discount received and in some cases even labelled as received. The prepayment for rent and rates was often added.

- Q4b** Balance sheets were better prepared than the income statement. Here most items were correctly located if sometimes incorrectly given where adjustments had been made. Labelling items and transferring items from the income statement was sometimes incorrect, otherwise students appeared to be well prepared. Non-current assets where the depreciation was an incorrect figure, and the bank overdraft were where some students lost marks.

Mark Ranges and Award of Grades

Grade boundaries and cumulative percentage grades are available on the [Results Statistics](#) page of the AQA Website.

Converting Marks into UMS marks

Convert raw marks into Uniform Mark Scale (UMS) marks by using the link below.

[UMS conversion calculator](#)