A-Level

ACCOUNTING

ACCN1 Introduction to Financial Accounting
Report on the Examination

2120
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General Comments

It was encouraging to see that the majority of students attempted all the questions and that the paper produced some strong responses to both prose and computational answers. Most students responded well to this paper as many were well prepared. However, some students lost marks by failing to show workings, and there were cases of students exhibiting weak numeracy skills, for example, an inability to convert a percentage to a decimal.

The question students found most difficult was Q4a, the suspense account.

Question 1

Q1a	This was a difficult question for a number of students who gained little or no marks with very few gaining full marks. The main issue for many students was distinguishing between 'bank' and 'capital'. Most students failed to apply the accounting equation and identify that assets other than bank also increase the business's capital.
Q1b	Most students were familiar with source documents and subsidiary books and gained an average of five marks. Many students incorrectly gave the answer 'Purchase Day Book / PDB' for the subsidiary book in Item 3.
Q1c &1d	A good set of marks were gained here although the third mark was difficult to award in some cases as the answer was not developed sufficiently. Some misread the question and thought they had to write about 'shareholders' rather than 'stakeholders'. Some did not answer the question in the context of Richie Skipper's business.

Question 2

Q2a	This question was on the adjustments of expenses in the income statement. A few students lost marks because of poor numeracy skills or the incorrect transference of figures. In some cases students used 0.00025 as a decimal equivalent of 2.5% when calculating the depreciation figure.
	Marks were lost by a significant number of students who added the provision of depreciation to the expense to transfer the total to the income statement. Others used the reducing balance method of calculating depreciation rather than the straight-line method.
Q2b	Almost half of all students scored full marks in this question. However, it was evident that many did not know how to treat a closing balance on an expense account. Some students ticked many boxes and therefore were not awarded marks. The question clearly stated tick one box only for each expense account.

Q2c A straightforward question that most students were able to respond to successfully. The more able students gained all three marks, with the majority of students picking up two marks. Some students were not clear on how to treat the opening provision balance and others did not correctly reduce the property balance by £400.

Q2d Many students did not answer the question set but instead explained what a trial balance was and then went on to identify errors not shown by the trial balance.

Some responses, particularly by those who described the effect on profit and working capital, earned good marks. Some students need to be encouraged to be specific in the mathematical direction of the effect and include facts and figures from the question to gain further marks.

It was pleasing to see that many students gained full marks for written communication.

Question 3

A question with a substantial number of marks to gain proved to be an excellent discriminator with students scoring in all the different mark categories.

Students should be encouraged to write full titles. Abbreviations are not acceptable in headings and therefore not rewarded.

It is still disappointing to find some students do not know the basic structure of a balance sheet. Many students used 'year ended' rather than 'at' in the opening title and many had a problem with labelling, especially in the case of the long- term loan, which was either not labelled at all or included in the current liabilities section. Students are not awarded marks when the wrong items are placed in the wrong section. Here it was essential for students to show their workings as marks were awarded for individual adjustments, particularly for the profit figure, where there were a potential seven marks to lose without clear workings.

Question 4

Q4a   This suspense account highlighted the greatest difference in attainment; it proved difficult for all but the most able students. Many students included every single item in the suspense account. Balancing the account also proved difficult. Often students included the items that were aliens, ie not affecting the agreement of the trial balance totals; the cleaner (£95), petrol (£450) and holiday/drawings (£895). The adjustments were often made on the wrong side of the account, the suspense account was not totalled up and the opening balance not given yet this was clearly asked for in the question stem.

Q4b   This question was based on the income statement and the effect of adjustments on the final profit figure. Unfortunately some students adjusted the profit figure but failed to identify whether the individual figures increased or decreased the profit, therefore all marks were lost. A 'running total' style answer was rewarded as this provided clear evidence of the mathematical direction.

Q4c   More than 16% of all students gave a perfect answer. Many more were able to relate at least two of the errors that would not be revealed by the trial balance successfully and so gain two marks.

Summary

In general, performance was very good by the majority of students. However, it is essential that students master the art of double entry. A high level of skill in using the double-entry model provides a means of understanding a wide range of situations in financial accounting. Teaching and learning merely from past paper questions should be discouraged and only used as a revision tool.

Full, clear workings should be used for any adjustments that are made.

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