

## 8991-02 Book-keeping & Accounting Level 2 (2024)

### General Observations

Candidates continue to perform in the examination but a greater emphasis needs to be given to narratives. Candidates that achieve first class passes usually have presented an excellent answer to their extended trial balances.

Teachers and candidates are to be congratulated on their successes and hard work.

### Areas of good performance

As stated above, candidates continue to be able to deal very effectively with the extended trial balance and this provides the foundation to many successful results.

Candidates have a very good understating of the differences between revenue and capital expenditure.

Many also showed a good appreciation of double entry principles and practice. Depreciation methods are applied very well in answers involving ledger accounts.

### Areas for development

The areas for development are similar to those at Level 1 and also remain as previously commented upon in previous examination reports.

Key matters to consider are: correct details in accounts such as 'balance b/d' and not 'owing b/d' or 'prepaid b/d', to provide full and not abbreviated details, for example 'profit and loss' and not P/L.

With the correction of errors a couple of marks are easily won or lost by the choice of narratives a candidate chooses. We need to see descriptive narratives e.g. 'purchase invoice from Reeves not posted to purchases account' rather than just 'error of omission'.

When dealing with accruals or prepayments the opening balances are either 'balance b/f' or 'balance b/d'. A book-keeper will know due to their knowledge of the double entry system if a balance is an accrual or a prepayment by the side the balance is on. There are no marks awarded for accounts presented as 'accrued b/d' or 'accrued balance b/d' or 'owing b/d' for example. This applies equally to prepayments. Tasks with accrual and prepayments are generally those which are answered least well.

Control account tasks need developing by candidates. Discounts need differentiating between 'allowed' and 'received'. Returns need differentiating between 'inwards' and 'outwards'.

Additional practice on calculations of depreciation, bad and doubtful debts and accruals and prepayments should also assist candidates in understanding what is required when they tackle tasks in the examination.

### Recommendations

Teachers and candidates should make good use of available resources such as sample examination papers, the examination support guide, FAQs, etc on the City & Guilds website. Additional work on the general presentation of ledger accounts including the fundamentals of presentation of date and narration would be useful for candidates.