

Annual Examination Report – Year: 2012

Subject Book-keeping and Accounts Level 2

Section 1 – Areas of good performance

Candidates seem to be steadily improving their skills over the specialist areas of the syllabus although it appears to be difficult for some candidates to perform well over the whole range. Further practice can only enhance results.

Task 2, the extended trial balance is the most successful question in this paper and candidates who are well practiced in this area can take a major step in achieving a pass grade with this question. Although it is task 2 in the examination, there is no reason why candidates should not enhance their confidence by tackling this task first.

Task 4, covering capital and revenue classification is well answered by most candidates.

Task 5 deals with bad debts and provision for doubtful debts are generally well answered although some account descriptions have scope for development and these are mentioned below.

Task 7, control accounts, is also generally well answered.

Section 2 – Areas for development

Although journal work on task 1 has improved there are some minor points which can be addressed and which will improve the results of candidates. Candidates need to ask themselves:

1. What should have been the correct double entry?
2. What incorrect entries have been made?
3. What entries need making to correct any errors?

In particular, this will assist candidates avoid the problem of reversing entries. Also, give closer attention to narratives – simply stating ‘correction of error’ is not a suitable narrative. A suitable narrative is one which describes the events that have occurred – and these are stated in the task.

Closer attention needs to be paid to account details on most tasks, for instance ‘b/d’ or ‘c/d’ is meaningless as is a simple ‘p/l’. For the former, as a minimum examiners expect to see ‘bal b/d’ or ‘bal c/d’ whilst with the latter ‘profit and loss’ is correct.

Task 3 deals with depreciation and some candidates struggle with their opening entries and their calculations of depreciation.

Task 5 will be improved with candidates learning to write off the bad debts from the control account as single total: the individual bad debts are recorded in the bad debts account.

Candidates still tend to struggle with task 6, accruals and prepayments. Again, account details need to be correct. Candidates need to simply write ‘balance c/d’ or ‘balance b/d’ and not ‘accrual or prepaid c/d or b/d’.

Section 3 – Recommendations

As a starting point, candidates should be encouraged to pay particular attention to task 2, the extended trial balance.

On this task, candidates can observe that the balances brought down on provision for depreciation and doubtful debts have credit balances. They will see that fixed asset accounts have debit balances and that the debtors balance is a debit and the creditors balance is a credit.

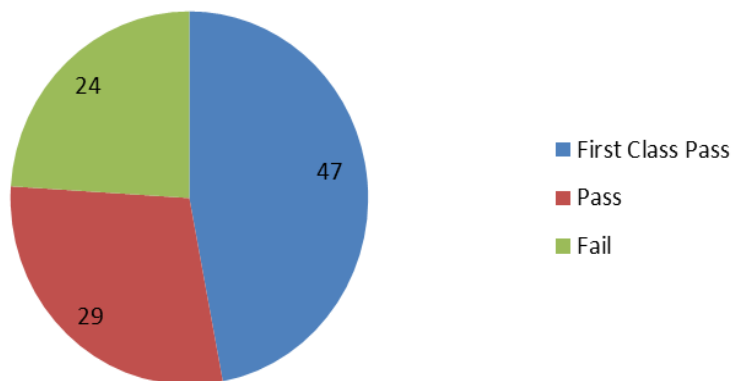
Taking note of the above will help candidates enter correct opening balances on tasks 3, 5 and 7, assisting candidates to obtain higher marks.

On task 6, centres should ensure that candidates understand how to deal with accruals and prepayments, referring to the sample materials for the terminology used.

Practice and awareness of what candidates are producing is important. Practising exercises and particularly making use of past examination papers where available is important ensuring candidates are confident with their stronger areas, such as extended trial balance, and in assisting them to clarify the approach taken in the more specialist areas. Candidates should take care to use the terminology used in the sample assessment material and the examination support guide.

A well-prepared candidate who puts the above into practice will achieve a first class pass.

Level 2 percentage pass rate for 2012



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