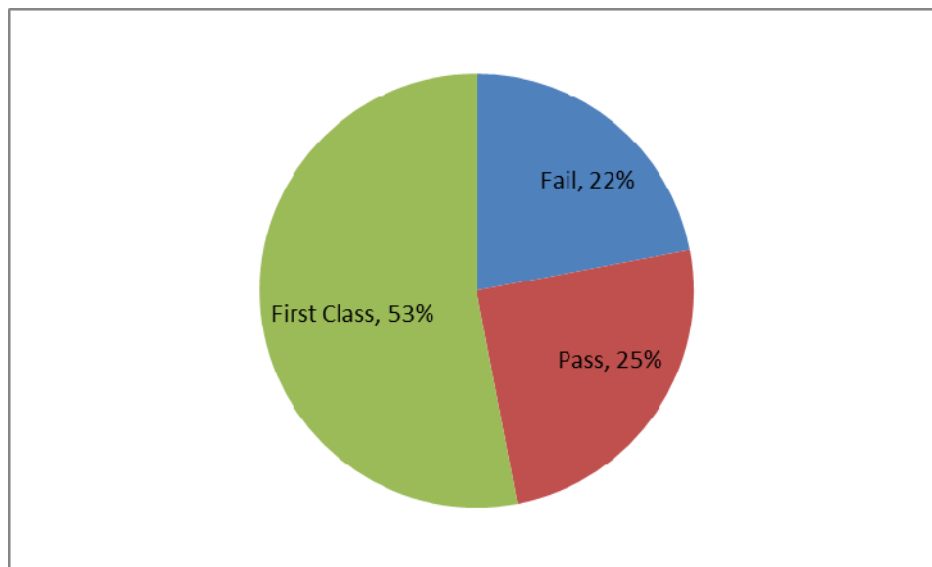


8991-02 Book-keeping & Accounting Level 2 (2009 – 10)

General Observations

Candidates have continued to perform well during the year. The percentage of First Class Passes decreased slightly from the initial year but the percentage of fail grades did not increase. Hence, the results are very encouraging over a larger and more statistically representative number of candidates.

It is good to see that teachers and candidates continue to be able to understand the new syllabus well and apply their understanding well..



Areas of good performance

Candidates showed good understanding of the extended trial balance as well as the distinction between capital and revenue accounts. The latter distinction was recognised as being a particularly strong area in the previous report and it is good to see this level of understanding continue to be achieved.

Areas for development

There continue to be similar areas for development in Level 2 book-keeping and accounts as with Level 1. Some candidates abbreviated details in ledger accounts. As an illustration, 'Profit and Loss' as opposed to 'P/L' should be used as the appropriate details.

Candidates also omitted balances b/d and incorrectly balanced accounts. Precision, completeness and clarity throughout are essential.

The tasks requiring concentration on year-end adjustments such as accruals and prepayments, provisions for bad and doubtful debts and depreciation seem to prove somewhat difficult for some candidates. Problems relate both to calculations and also the details and dates to apply in ledger accounts. For example,

'owing c/d', 'prepaid c/d', 'accruals b/d' and so on were used instead of the correct 'balance b/d' and 'balance c/d'.

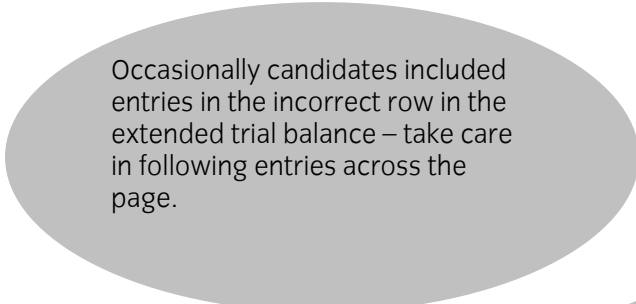
Correction of errors is a topic which seems to prove difficult for some candidates. Debit entries were sometimes credited and credit entries debited, and abbreviations such as "M/V" for motor vehicles and "DA" and "DR" for discount allowed and discount received, were used for accounts. Narratives for journal entries need not be complex but do need to be more descriptive than 'error corrected'. A correct narrative could be as straightforward as "Sales day book undercast by £150".

Recommendations

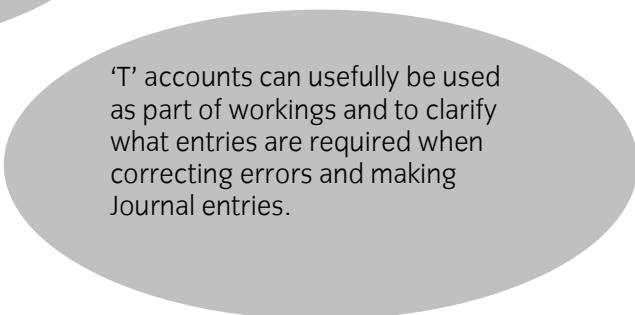
Teachers and candidates should make good use of available resources such as sample examination papers, the examination support guide, FAQs, etc on the City & Guilds website.

Additional work on year-end adjustments would be advantageous for candidates to ensure they are well prepared for questions. It is useful to think about whether adjustments are for an asset (e.g. fixed asset) or a liability. And also it is worth considering whether adjustments increase or decrease the charge or credit to profit and loss.

Tips



Occasionally candidates included entries in the incorrect row in the extended trial balance – take care in following entries across the page.



'T' accounts can usefully be used as part of workings and to clarify what entries are required when correcting errors and making Journal entries.

Additional comments

Sufficient practice is essential before the examination as part of adequate preparation. Aim for clarity, accuracy and show workings fully in the examination.