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Examiners' Report October 2025

Pearson Edexcel International Advanced Level in Accounting

WAC11/01

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October2025
Question Paper Log Number P78812A
Publication Code WAC11_01_2510_ER
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General Comments

The Examiners noted that the standard achieved in this examination was consistent with the standard seen in recent examinations. In general, the overall standard of responses in the October 2025 examination was more robust than examiners had seen previously. Centres are to be congratulated for their work in achieving this improvement.

Learners answered all questions on the examination paper consistently. In particular, it was noted that Question 4, based on the preparation of a Forecast Statement of Profit or Loss and Other Comprehensive Income was less attractive to learners and more work needs to be undertaken to ensure that learners can answer these topics with confidence.

Although the standard of responses generally improved it was again noted that for a minority of learner's entry to the examination was premature. In particular, learner explanations of key terms and concepts showed a real lack of understanding.

Specific Comments

Question 01

In general, learners prepared very good answers for the financial statements.

There were variations in the quality of the Statement of Profit or Loss and Other Comprehensive Income, with the majority of learners failing to accurately account for the disposal account entry. In a similar vein, marks were lost for the poor labelling of the legal claim. To obtain the mark the label required both elements, the fact it was a provision and the reason for the provision.

The preparation of the Statement of Financial Position was of a reasonable standard with the majority of learners gaining over half marks. A significant number of learners fail to recognise the need to make the necessary adjustments in this statement, often entering the original balance figures.

The calculation of the annual cost of the security system and the saving or deficit differentiated well between learners. Better learners recognised the need to include the cost of the installation in the calculation of the annual depreciation, whilst weaker learners merely added the cost of installation to the annual cost. In calculating the saving or deficit a small minority of learners used the profit figure from their financial statement rather than the figure given in the question.

The evaluation of the proposed change to online sales and cash with order was answered very well by the majority of learners, with most able to offer well developed arguments for and against the proposal. A minority of learners believed that "cash with order" referred to the physical exchange of the monies at the point of ordering.
Common errors

- Incorrect calculation of the bank loan interest
- Omission of the loss on disposal
- Failing to adjust the 5% bank loan repayment.

Question 02

As in previous series, the responses seen in this series indicated a lack of knowledge and understanding in preparation of ledger accounts. This is an important aspect of the qualification and centres should ensure that learners are able to complete these with confidence.

The majority of learners were able to make the correct entities in the trial balance for given balances but were unable to correctly enter the balances of the Insurance account and the Rent Receivable account.. A minority of learners did not balance off the trial balance with a suspense account figure and the two balanced totals.

With regard to the journal entries, weaker learners did not recognise that the payment to Amos should be recorded as Drawings and that the correct cash sale debit entry was Cash rather than Cashbook.

The explanations of the accounting concepts and conventions differentiated well between learners, Better learners were able to access both marks by offering explanations which fully met the requirements of the question, whilst weaker learners often left the page blank or offered explanations based on a very weak understanding.

The responses to evaluation question were very well answered with learners offering a range of arguments on both sides and going on to make a reasoned decision about whether Amos should offer a partnership to Bhutto.

Common errors

- Incorrect narratives in the ledger accounts, if the transaction was by cheque then the correct narrative would be Bank.

- The owner withdrawing funds from the business should be recorded as Drawings.

Question 03

Learners generally prepared good responses to this question, preparing their answers in appropriate formats.

Better learners were able to account for the interest on the loan to Rayya as an expense and not an appropriation of profit and were then able to gain full marks.

It was pleasing to see that the majority of learners used an account format to calculate the closing balances on the current accounts, although weaker responses omitted the loan interest to Rayya.

The responses to the Statement of Financial Position were generally poor, with few learners achieving half marks. Many failed to make any adjustments to the entries for the inventory, the trade receivables of the 5% loan from Rayya. In addition, very few learners were able to correctly calculate the correct Bank entry, failing to take into consideration both adjustments.

With regard to the evaluation of preparing a partnership agreement, the majority of learners were able to apply a valid argument for and a valid argument against. A few learners did not offer a justified decision and thus were only able to achieve a level 2 mark.

Common errors

- Failing to adjust the Profit for the year balance
- Including the £15 000 capital introduced as the opening balance in the Capital accounts
- Not providing an appropriate narrative for the loan fromRayya in the statement.

Question 04

This question proved to be the least popular in this series. However examiners witnessed good responses with more able learners achieving full marks for the Forecast Statement of Profit or Loss and Other Comprehensive Income.

As with other explain questions in this series, the responses to the explanations of trade and cash discounts were disappointing. The majority of learners failed to explain the discount aspect of the term, merely stating that a trade discount was a discount… Both terms have two clear notions, one relating to the discount element and one relating to the trade element and the cash element.

The Forecast Statement of Profit or Loss and Other Comprehensive Income proved to be a real discriminator with examiners seeing a full range of marks. Weaker learners often just copied the trading section of the account from the source material and were therefore not rewarded as they had made no attempt to account for the required adjustments given in the question. All too often examiners witnessed responses with no workings and as such it was difficult to award marks for learners final figures.

For the evaluation question, the responses reflected the lack of understanding of the two terms with a minority of learners believing that a trade discount was a discount for paying "on credit" and a cash discount was for paying with "cash"

Common errors

- Not showing workings in the calculations
- Failing to account for the increase in workers in the calculation of wages

Question 05

Learners generally prepared good and accurate answers to this question, however as in common with other questions the explanation of the key terms was variable.

The manufacturing account was well answered with the vast majority of learners using the correct format for the account.

With regard to the change of method for the valuation of inventory, most learners were able to offer one or more valid arguments relating to the change. Weaker learners often present confusing arguments resulting from a lack of understanding of the effects the change would have on inventory valuations, the value of the cost of sales and therefore profit.

Common errors

- Subtracting the carriage inwards.
- Inaccurate division of the general expenses

Question 06

Many learners failed to understand the requirements of the first part of this question, providing formulae for the ratios rather than offering an explanation of how the business would use the information derived from the calculation of the ratios.

The ratios were calculated with varying degrees of success, the majority of learners were able to correctly calculate the gross profit and the profit of the year as percentages of the revenue. Few learners were able to correctly calculate the value of the non-current assets, failing to recognise it was a use of the accounting equation.

The evaluation of the usefulness of a single years ratios was generally well answered with learners highlighting the notion of comparing between years and the use of benchmark ratios for a single year.

Common errors

- Failing to carefully read the question.
- Failure to account for the bank overdraft in the liquid ratio.

Key points for centres to consider

- Ensure that learners that care to read the question fully and address the demands of the question fully.

- Ensure that learners have full knowledge and understanding of the preparation of ledger accounts in the correct format. This should include the correct use of dates, the use of correct and full narratives, avoiding the use of abbreviations at all times.

- When answering evaluative questions learners should offer balanced arguments.

- Ensure learners have a full understanding of the key terms from the specification.