



*Let the mind manage the body
Que l'esprit gère le corps*

**MAURITIUS
EXAMINATIONS
SYNDICATE**

**NCE 2021-2022 GRADE 9
BUSINESS & ENTREPRENEURSHIP
EDUCATION**

Subject code: N560

Examiners' Report

July 2023

BUSINESS & ENTREPRENEURSHIP EDUCATION (BEE)

The Business & Entrepreneurship Education (BEE) curriculum comprises three distinct but interrelated subjects namely Business & Enterprise, Economics and Accounting.

The NCE BEE 2021/2022 paper is based on the Teaching and Learning Syllabus Grades 7 – 9 of the MIE¹. The assessment paper was based on the content of the Grade 9 syllabus as stipulated in the assessment documents and guidelines.

Candidates were assessed according to **four assessment objectives (AOs)**. Approximately 50% of the marks on the paper are for demonstrating knowledge and understanding (AO1), 20% for application of knowledge (AO2), 20% for analysis (AO3) and 10 % for evaluation (AO4).

Under **AO1**, candidates are expected to demonstrate knowledge and understanding regarding:

- Entrepreneurship / Business / Economics / Accounting terms, facts, concepts, words, conventions, skills, terminology and definitions;
- business management skills and functions.

Under **AO2**, candidates are expected to demonstrate their ability to:

- apply their knowledge and understanding of facts, terms, concepts and techniques with respect to a particular individual, enterprise or business and country.

Under **AO3**, candidates are expected to demonstrate their ability to:

- analyse the key factors that cause the success/failure of an enterprise;
- order, analyse and interpret information in narrative, numerical and graphical forms using appropriate techniques;
- distinguish between evidence and opinion in a business/enterprise context;
- analyse data and information.

Under **AO4**, candidates are expected to demonstrate their ability to:

- use their knowledge and skills to evaluate situations and problems related to a particular individual, business/enterprise or country;
- present reasoned explanations and understand implication of business decisions;
- solve problems, make judgements and decisions.

¹ Mauritius Institute of Education

The NCE Examiners' report for BEE offers valuable feedback on the performance of candidates and is meant to guide future candidates when preparing for the assessment.

This report should be read in conjunction with the published question paper for the assessment available on the MES website.

PAPER OVERVIEW

The BEE paper is of a duration of 2 hours and has 2 sections; **Section A** (Business/Enterprise/Economics presented in an integrated manner) and **Section B** (Accounting as a stand-alone subject).

Section A comprises 5 questions and **Section B** comprises 3 questions with sub-parts presented in a graded fashion in terms of difficulty level. The paper consists of a range of different types of questions which include Multiple choice items (MCQs), Matching, Fill in the blanks, Alternative response (True/False), Short answer and Open-ended questions based on contextualised case scenarios as shown in **Table 1**.

Table 1

Question	Type of Question	Marks Allocated
Section A: Business/Enterprise/Economics (65 Marks)		
1	MCQs, fill in the blanks & matching	23
2	Tick appropriate boxes, True/False & Advantage/Disadvantage	11
3	Identify items from a diagram, use arrows to complete a table & short answer and open-ended questions based on a mini Case Scenario	9
4	Short answer and open-ended questions based on a mini Case Scenario	12
5	Short answer and open-ended questions based on a mini Case Scenario	10
Section B: Accounting (35 Marks)		
6	MCQs, matching, fill in the blanks & complete table with 'Accounts to be debited and Accounts to be credited'	18
7	Prepare Cash Account and balancing it off & a short answer question	7
8	Prepare an Income Statement & an open-ended question	10

Candidates were allowed to use calculators in the BEE paper.

KEY MESSAGES

SECTION A: BUSINESS / ENTERPRISE / ECONOMICS

- Many candidates were well prepared for Section A and they attempted the questions without great difficulty. However, it was observed that some specific questions were not attempted by candidates due to lack of proper revision.
- Part (a) of Question 3 pertaining to diagram was well attempted by almost all candidates. However, many scripts showed a lack of application as far as part (d) is concerned.
- Although some candidates effectively applied their answers to the mini case scenarios in Questions 4 and 5, most candidates replicated answers from the textbook or they copied the exact wordings from the given case scenarios without any attempt to apply their knowledge and understanding in the given context.
- Candidates should be encouraged to demonstrate their application skills so as to gain maximum marks in questions where they are directed to relate their answers to the specific enterprise / entrepreneur / country based on mini case scenarios.

SECTION B: ACCOUNTING

- There are specific syllabus areas where candidates need more understanding (in terms of concepts and principles) and practice.
- Application of the double entry principle to identify the accounts to be debited and accounts to be credited and to record business transactions in the Cash Account was problematic for many candidates.

OVERALL

- Language seems to be a barrier for candidates to express themselves in open-ended questions. Some answers were written in Creole or French.
- It is crucial that candidates read questions carefully as they tend to lose marks due to misinterpretation or misreading of the question altogether.

GENERAL COMMENTS

The performance of candidates in the 2021-2022 NCE Assessment in BEE was satisfactory with an overall pass rate of 78.4 %. 12248 candidates out of 15616 who were assessed for BEE obtained a grade 6 or better in the subject.

Section A- Business/Enterprise/Economics

- Most candidates completed Section A questions.
- Excellent candidates stood out by the high quality of their answers which reflected a good preparation to achieve all the expected learning outcomes of the syllabus.
- Good candidates displayed a strong knowledge of the syllabus content but application of knowledge to the specific enterprise/entrepreneur/country needs to be further developed so as to score maximum marks.
- Candidates who did not attempt Questions 3 (d), 4 and 5 often displayed difficulties in understanding the mini case scenarios and the related questions and hence, failed to formulate their answers properly.
- There was evidence that some candidates had little exposure to questions pertaining to Demand and Supply as they could not contrast between a movement along and a shift of a supply curve. Moreover, some candidates confused factors that affect demand with those affecting supply.

The following are some considerations that could help candidates achieve better marks:

- Answers to Questions 1 and 2 are best achieved through a good knowledge and understanding of the key terms and concepts of the syllabus.
- Candidates can score higher through more practice.
- For open-ended questions, candidates should give an explanation with reference to the specific context or products. For example, for Question 5 (d), the benefit had to be to the country (Mauritius) and not to the firm.

Section B- Accounting

- Some candidates were well prepared and showed good mastery of the concepts/principles as outlined in the syllabus.
- Many candidates displayed a strong knowledge of the syllabus content but were unable to attempt questions which required some higher order thinking.

Comments on Specific questions for Section A

Question 1A- Multiple Choice Questions

Question 1A consists of 10 multiple choice questions which ensured a broad coverage of **Units 1 to 9** of the syllabus.

<i>Item Number</i>	<i>Key</i>	<i>% Correct</i>	<i>Most common incorrect choice</i>
1	C	92	D
2	A	74	B
3	B	65	D
4	C	65	B
5	D	77	A
6	C	82	D
7	B	75	D
8	D	90	A/C
9	D	77	B
10	A	61	B

Generally, MCQs were well attempted by most candidates. Questions 1 and 8 proved to be the most accessible items. However, items 3, 4 and 10 were found to be the most challenging for candidates.

Comments on specific items for Question 1A

Item 1 was a relatively easy knowledge-based question. Candidates were required to identify an example of written communication. While most of them could identify C - Business letter as the correct answer, option D - Telephone conversation was the most common incorrect choice. This may imply that candidates did not pay attention to the word 'written'.

Item 2 which was a knowledge-based question pertaining to the concept 'stakeholders' was well attempted by most candidates. Most of them could identify A - Owners as the correct answer but Option B - Employees was the most common incorrect choice. This may be because candidates confused employees being a stakeholder who will benefit from high profit.

Item 3 was a knowledge-based question on a Franchise enterprise. Many candidates got the correct answer B- buys while Option D - sells seemed to have confused some candidates.

Item 4, another knowledge-based question was well attempted by many candidates who opted for Option C - risk. However, nearly 20 % of the candidate population wrongly opted for B - plan. This may be due to the fact that candidates are familiar with the term 'business plan'. A few candidates went for A - opportunity as perhaps, they associated the word 'goals' as an opportunity.

Item 5 being a pictorial knowledge-based question, was well attempted by many candidates who chose the correct answer D - Consumers. However, some candidates who opted for option B - Competitor might have interpreted the second picture as that being of another firm selling the same items.

5. **Figure 1** shows the **channel of distribution** that a farmer usually adopts.

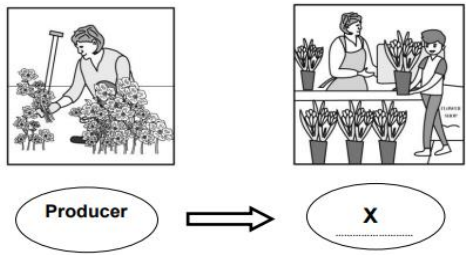


Figure 1: Channel of distribution

In **Figure 1**, which one of the following does **X** represent?


A Manufacturer	B Competitor
C Investor	D Consumer

Item 6 was answered correctly by more than three quarter of the candidate population who was able to link lower prices with promotional pricing. However, some candidates confused lower prices as being the penetration pricing policy.

Item 7 required the candidates to define a demand curve and it was quite easy for most candidates to identify the correct answer B-price. However, option D-unit was a major distractor.

Item 8 turned out to be one of the most well-answered multiple-choice question as candidates could identify 'Silver coins' as an example of metallic money. A few of them, however wrongly opted for C-Precious stones.

8. Which one of the following is an example of **metallic money**?

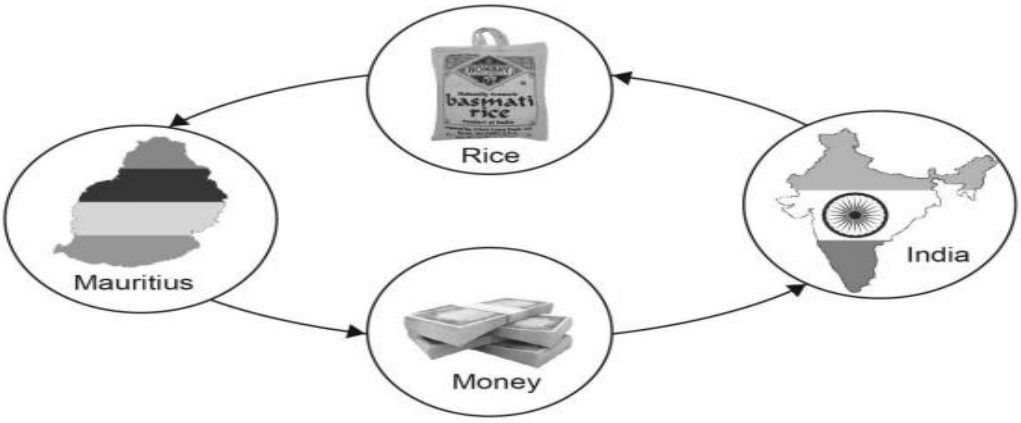


A Credit cards **B** Bank notes **C** Precious stones **D** Silver coins

Item 9 was a relatively easy knowledge-based question and many candidates opted for answer D - spending. Only a handful of candidates chose option B - investment as they might have confused the term 'money' as being an investment.

Item 10 required candidates to understand the direction of the arrows in the given picture. Whilst nearly 60 % of the candidate population successfully chose the right answer A-money outflows, this item proved to be the least well answered multiple choice question for Section A. Option B-internal trade and option C-money inflows were major distractors. Many candidates confused between an import and an export.

10. Mauritius **buys** rice from India.



This is an example of for Mauritius.

A money outflows **B** internal trade
C money inflows **D** home trade

NOTE:

In cases where candidates wrongly encircled an option in the multiple-choice questions, they are advised to:

either

- cross out the option which was wrongly selected and encircled.
- encircle the letter corresponding to the option they now think is correct and indicate this clearly using an arrow and the word 'Answer', as illustrated below:

6. **Lowering the price** of a product for a short period of time is known as

~~A~~ competitive pricing

B premium pricing

C promotional pricing ← Answer

D penetration pricing

or

- cross out the option which was wrongly selected and encircled.
- encircle the letter corresponding to the option they now think is correct and indicate this clearly using an arrow only as illustrated below:

9. **Paying out money** to buy goods or hire services is known as

A borrowing

~~C~~ saving

B investment

D spending ←

Question 1B- Fill in the blanks

The fill in the blanks question was very scoring as many candidates got full marks. Items 2, 3 and 4 were the most well-answered items with more than three quarter of the candidate population opting for the correct answers.

However, confusion was noted between 'share' and 'dividend' and, as a result, items 1 & 5 were the least well-answered.

Question 1C- Matching

Generally, most candidates were able to get through this question without much difficulty as simple terms were used.

For part 1C(i), the term 'import' was mistaken as the 'sale of goods and services to foreign countries' which was a distractor. Nearly 20 % of the candidate population made this mistake. Item 5 - 'Business plan' was the best well -answered item in this part question. Around 64 % of the candidate population scored full marks in part 1C (i).

For part 1C(ii), all the terms were from the topic 'Marketing'. The best well-answered item was item 2 – 'Selling' and the least well-attempted item was item 1- 'Marketable product'. Around 55 % of the candidate population scored full marks in part 1C (ii).

Question 2(a) – Tick the appropriate box

This was a scoring knowledge-based question which required candidates to tick the appropriate box for each statement. Most candidates managed to score at least 2 out of 3 marks. The pictures used in the question helped the candidates to relate the effectiveness / ineffectiveness of the communication to each statement.

Question 2 (b) - True/False

This knowledge-based part question was satisfactorily attempted by most candidates with more than three quarter of the candidate population scoring at least 3 out of the 5 marks. Item 5 which relates to 'Business plan' was the most well-answered item as candidates seemed well acquainted to the particular concept. However, difficulties were observed in item 1 as nearly 37 % of the cohort got it wrong. Some candidates might have thought that it is the 'owners' who run a company and not the 'Board of Directors'.

Question 2(c) – Advantage /Disadvantage

This was a knowledge-based question. Candidates were required to identify whether particular statements related to either an advantage or a disadvantage to a company. While more than half of the cohort was able to identify the correct answers to score full marks, some candidates struggled to obtain the average marks. Some candidates did not understand the statements, whereas others were able to understand them but could not figure out whether each one was an advantage or a disadvantage to the company.

Question 3

Question 3 was a pictorial question based on demand and supply. It consisted of short answer and open-ended questions based on a contextualised case scenario. This question aimed at assessing the candidates' ability to apply their knowledge and understanding of the topic 'demand and supply' with respect to the enterprise of *Fleur de Zil* - a small florist shop. Candidates were also expected to have a notion of movements along the demand and supply curves and shifts of the curves as well as the factors which affected them.

Part 3(a) – Identification of equilibrium price and equilibrium quantity

This part assessed the candidates' ability to identify the equilibrium price and equilibrium quantity from the diagram provided. Being a direct question where the answers had to be lifted from the diagram, most candidates successfully attempted it.

Part 3(b)- Shift in Supply Curve

Part 3(b) was a higher order question to assess candidates' understanding of a shift in supply curve.

(b) A recent **cyclone** has destroyed many flower plants of *Fleur de Zil*.

What will happen to the **supply curve (SS)** of flowers shown in **Figure 2**?

.....

.....

.....

[2]

Candidates were expected to relate 'cyclone' to 'climate / bad weather condition' as being one of the factors affecting supply and to recognise that this would cause a shift in the supply curve SS upward / to its left. Below 20% of the cohort managed to score full marks. Many of them confused between a shift in the supply curve or a movement along same. Moreover, some candidates who recognised it to be a shift in supply curve were uncertain about whether it was to its right/downward or to its left/ upward and therefore they scored only 1 mark out of 2. More than 75 % of the candidate population was not able to score any mark either because they did not attempt this part or they provided poor answers where they gave only increase / decrease in the supply.

Part 3(c) Law of Supply

Candidates were required to use arrows \uparrow or \downarrow to illustrate the law of supply in this part question.

(c) Use arrows \uparrow and \downarrow to illustrate the **law of supply** in the table below.

Law of Supply	
Price \uparrow	Quantity supplied
Price \downarrow	Quantity supplied

[2]

Around half of the candidate population was able to give both correct arrows and scored full marks. However, many of them confused between law of demand and law of supply as in many scripts, the placement of arrows was wrong.

Part 3 (d) Factor influencing demand for flowers of fleur de Zil.

In this part, candidates were expected to identify and explain one factor other than price that might influence the demand for flowers of *Fleur de Zil*. The explanation of the identified factor had to be applied in the context of flowers or *Fleur de Zil*.

<p>(d) Identify and explain one factor, other than price, that might influence the demand for flowers of <i>Fleur de Zil</i>.</p> <p>Factor: [1]</p> <p>Explanation:</p> <p>.....</p> <p>.....</p> <p>[2]</p>

Very few candidates managed to score full marks as their answers were either not complete or not applied to the given context. However, around 25 % of the cohort was able to score at least 2 marks out of 3. Another common observation was that the factor identified and the factor explained were not the same and, therefore, the candidates scored only 1 mark for the correct factor identified.

A handful of candidates gave ‘climate’ as a factor influencing the demand for flowers but the related explanation was for supply rather than demand and, therefore, they could not score any mark. Few candidates gave ‘climate’ as a factor whereby they clearly related it to a better quality of flowers resulting into higher demand and they scored full mark. Thus, ‘climate’ was accepted as a factor influencing demand only if the corresponding explanation was complete and related to demand.

Question 4

This question consisted of short answer and open-ended questions based on a contextualised case scenario for the enterprise of Allan- Craft Wood Design (CWD). It assessed the candidates’ knowledge and understanding (AO1), application (AO2) and analysis (AO3) skills.

Part 4 (a) - Qualities of entrepreneur

Part (a) was a knowledge-based question which aimed at assessing candidates’ ability to identify two qualities of an entrepreneur. Nearly 50 % of the cohort managed to score full marks. However, many candidates were not able to score any mark as they mistook qualities for functions of an entrepreneur. Moreover, some common wrong answers noted were ‘artistic’, ‘leader’ or ‘manage the businesses’.

Part 4 (b) – Functions of an entrepreneur

Part (b) was a knowledge-based question which required candidates to identify two functions that Allan performs as an entrepreneur. Only 33 % of the candidate population scored full marks. The most common confusion was between the functions and responsibilities of an entrepreneur.

Part 4 (c) (i)- Definition of borrowing

This part assessed the candidates’ ability to define the term ‘borrowing’ and it was successfully attempted by more than half of the candidate population. However, some candidates gave incomplete answers whereby elements such as ‘from friends’ or ‘financial institutions’ or ‘repay later’ were missing and they scored only 1 mark out of 2. A few candidates did not attempt this part question.

Part 4 (c) (ii) – Factors influencing borrowing

This part aimed at assessing candidates’ knowledge in identifying factors influencing Allan’s decision to borrow money from the bank. It was not successfully attempted by many candidates. A confusion between factors affecting borrowing and factors affecting spending was evidenced among some candidates. Some candidates gave far-fetched answers such as ‘number of months they will take to return the loan’, or ‘the number of months they will be given to repay’ or even ‘tax’.

Part 4 (d) – Advantage of advertising in context

This was an applied question where an advantage of advertising had to be linked to Craft Wood Design and its decorative wooden items. Only a few candidates scored full marks. Many candidates lost marks due to their inability to apply the advantage of advertising to the given context. Some candidates did not attempt this part question.

<p>(d) Describe how advertising, as a means of promotion, can help Allan’s business.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p style="text-align: right;">[2]</p>
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Part 4 (e) – Factors influencing pricing

This was an analytical question which required the candidates to analyse one factor which should be considered when setting the price of products at CWD.

<p>(e) Explain one factor that Allan must consider when setting the price of the products at <i>CWD</i>.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>[2]</p>
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A handful of candidates scored full marks. However, many candidates failed to score full marks although application was not a must for this part question. It seemed that candidates had difficulty to understand the question itself, hence, answers given were either irrelevant or far-fetched.

Question 5

Question 5 consisted of short answer and open-ended questions based on a mini case scenario for the enterprise -*Spices World*. It aimed mainly at assessing the candidates’ ability to recall and apply their knowledge and understanding of the topics: International trade, Business organisations and Entrepreneurial skills to *Spices World*.

Question 5 (a) – Definition of local trade

This part question was straight forward as it required the candidates to define the term ‘local trade’.

<p>(a) Define the term 'local trade'.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>[2]</p>
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Around 28 % of the candidate population scored full marks. However, some candidates gave an incomplete definition of the term, that is, they missed either buying or selling. Some candidates did not define the term 'local' while others defined only 'local' and they could not define 'trade'.

Question 5 (b) – Advantages of a cooperative

In this part, candidates were expected to give two well explained advantages of running *Spices World* as a cooperative.

(b) Explain **two advantages** of running *Spices World* as a cooperative.

1.
.....
.....

2.
.....
.....

[4]

A lack of application to the context (such as; *Spices World*, women, homemade spices, members of the cooperative) was evidenced and many candidates did not elaborate on the advantages, hence, they could not score full marks. Some candidates' responses consisted of 'create jobs' or limited liabilities' without any further explanation. However, around 40 % of the candidate population was able to score at least 2 out of 4 marks.

Part 5 (c) – Ways of resolving conflicts

This was a knowledge-based question and many candidates fared well in it. Whilst most candidates reproduced the ways of resolving conflicts from the textbook, some candidates successfully gave the answers in their own words. For example, a handful of candidates gave answers such as, 'talk to each other to find a solution'.

Part 5 (d) –Benefit of export to Mauritius

This part required the candidates to describe one way in which exports by *Spices World* could be beneficial to Mauritius; the country and not the firm/ enterprise.

(d) *Spices World* is now planning to export its products to other countries.

Describe **one way** in which **exports** by *Spices World* can be beneficial to Mauritius.

.....

.....

.....

[2]

Around 15 % of the cohort were able to get full marks for this part question by providing a benefit of export related to Mauritius. Many candidates scored only 1 mark out of 2 as they either gave the benefit / advantage of export to the firm /*Spice World* or if they gave the benefit to Mauritius, explanation was lacking. For instance, some candidates gave the answer 'foreign currency to Mauritius' but were not able to explain how this would benefit Mauritius.

Comments on Specific questions for Section B

Question 6A- Multiple Choice Questions

Question 6A consisted of 5 multiple choice questions which ensured a broad coverage of **Units 10 to 14** of the syllabus.

<i>Item Number</i>	<i>Key</i>	<i>% Correct</i>	<i>Most common incorrect choice</i>
1	B	76	A
2	C	80	D
3	C	72	B
4	D	63	C
5	B	40	C

Some MCQs were left unanswered by few candidates.

Comments on specific items for Question 6A

Item 1

1. How **many accounts** does each business transaction affect?
- A One
 - B Two
 - C Three
 - D Four

This was a relatively easy knowledge-based question about the dual aspect of a transaction. This item was well answered by more than three quarter of the candidate population who opted for B - Two. It was noted, however, that some candidates left this first MCQ question blank as they assumed that it was an example given. Moreover, some candidates misinterpreted the question as 'type of transactions', and hence wrongly chose answer C – Three.

Item 2

2. All accounts are kept in a **book** called the
- A Statement of financial position
 - B Income statement
 - C Ledger
 - D Trial balance

This item was a common knowledge-based question on 'Ledger'. It proved to be the easiest MCQ question, given that the majority of candidates chose the correct answer C - Ledger. Very few candidates chose the wrong option D - Trial Balance.

Item 3

3. Which one of the following appears in the **credit column** of a **trial balance**
- A** Furniture
 - B** Rent
 - C** Sales
 - D** Electricity

Item 3 was a knowledge-based question on 'Trial balance' and most candidates chose the correct answer key C – Sales. This demonstrated that candidates had a good knowledge on items featuring on the credit side of the trial balance.

Item 4

4. Which one of the following is an example of **income**?
- A** Trade payable
 - B** Motor vehicle
 - C** Trade receivable
 - D** Commission received

This item required the candidates to identify an example of 'income'. Many candidates opted for the key D – Commission received. However, option C – Trade receivable was a strong distractor as some candidates were misguided by the word "receivable" which they wrongly interpreted as "received".

Item 5

5. What does **Y** represent in the following formula?

$$\text{Y} = \text{Liabilities} + \text{Capital}$$

A Expenses
B Assets
C Incomes
D Drawings

This part was based on recognising the accounting equation. It proved to be challenging for many candidates who could not recall the formula. It was the least-well answered MCQ in Section B. It was observed that many candidates opted for the wrong option C – Incomes.

Question 6B- Matching

For part 6B, candidates were assessed on their knowledge and understanding of certain accounting terms by matching each term to its correct definition or description. This part question was attempted by most candidates and proved to be the most scoring one in Section B. On average, candidates scored 3 out of 5 marks. Many candidates were able to get full marks. However, the following difficulties were also noted:

- Description C was a strong distractor for many candidates. For example, some candidates chose C instead of G for Term 4 – Double entry system. Few candidates chose C instead of B for Term 5 – Trial balance.
- Some candidates did not write their answers in the answer grid provided but did the matching. A few candidates did not write the letters properly in the answer grid.
- Some candidates used the same letter twice in the grid.

Question 6C- Fill in the blanks

The new way of setting fill in the blanks questions, with a choice of only two options per item, proved to be beneficial to the candidates as most of them attempted this part question and did not leave it blank.

Whilst the majority of candidates wrote their answers on the blank spaces provided, a handful of candidates gave clear indication of their answers by underlining or encircling them. This however

demonstrated that they did not follow the instructions given for this part question although an example was given.

Item 1

1. Capital is also known as owner's (profit, equity)

Nearly three quarter of the cohort was familiar with the term capital being known as owner's 'equity' and thus were able to score 1 mark.

Item 2

2. An income statement is a classification of income and (revenues, expenses)

This was the least well-answered item in part 6C. It was quite challenging for many candidates who selected 'revenues' instead of 'expenses'. Candidates might have been confused with the format of the income statement where the first item is revenue.

Item 3

3. An asset always has a balance. (debit, credit)

Many candidates attempted this item correctly.

Item 4

4. In a statement of financial position, profit is added to (capital, drawings)

This was the most well-answered item in question 6C.

Question 6D- 'Account to be debited' and 'Account to be credited'

This part question was generally not well-answered by many candidates. Candidates were expected to analyse each transaction and to complete the table with the 'Account to be debited' and 'Account to be credited' based on the double entry principle. The following shortcomings were noted:

- The answers given in the example such as 'Purchases' and 'Reza' were duplicated for the two other transactions dated September 17 and 24 by many candidates.
- Complete reversal of entries was noted in many scripts.
- Wrong use of accounting terminologies such as 'goods' instead of 'sales' and 'cheque' instead of 'bank' were common in many scripts.
- Lifting of words from the given transactions such as 'sold goods' and 'paid insurance' were also evidenced in a handful of scripts.
- Completely alien words for the title of accounts were seen in some scripts. For instance, use of the term 'rent' instead of 'insurance' (possibly due to rote learning).
- Some candidates did not attempt this part question and left it blank. This demonstrated a lack of understanding of the double entry system by these candidates.
- A few candidates ticked the columns instead of writing the title of the accounts, as perhaps they did not read or/and understand the instructions for this part question.
- Some candidates wrote the figures Rs 5 100 and Rs 4 500 in the spaces provided.

Question 7- Recording business transactions in their respective accounts

Question 7 was a mini case scenario for the business of Paul, a sole trader who deals in ready-made garments during the month of June 2022.

Part (a) required the candidates to prepare a Cash Account from a given list of cash, bank and credit transactions. They also had to balance the Cash Account at the end of the month (30 June 2022) and to bring down the balance on 1 July 2022. This question was designed to assess the candidates' ability to apply their knowledge and understanding of the concept 'Double entry system' to the business of Paul.

This part question was not well answered by many candidates. It proved to be the most difficult question in Section B. Less than 20 % of the candidate population scored full marks. However, around half of the cohort was able to score at least 3 out of 6 marks. Some candidates did not even attempt this part question.

The following were noted:

- Many candidates did not pay attention to the transactions and thus recorded the bank and credit transactions in the Cash account.

- Many candidates could not identify the proper title of the accounts. Some candidates resorted to “lifting” words from the transactions. Instead of writing the accounts’ names, wrong wordings were used in the ‘details’ column (examples: bought goods, sold goods, paid electricity, Utility bills) or the whole transaction was copied.
- In some scripts, the Capital figure was not taken into consideration while balancing the account- leading to wrong calculation of the closing balance.
- Reversal of entries were observed in many cases.
- Different figures for balance c/d and balance b/d were noted.
- ‘Balance brought down’ was misinterpreted as ‘balance carried down’.
- Many candidates seemed to be unaware of the fact that a Cash Account can never have a “balance brought down” on the credit side.
- The total, balance c/d and balance b/d figures were wrongly calculated by many candidates. It was observed that some candidates did not bring calculators even though calculators are allowed in the paper.
- A handful of candidates wrote only balance c/d and not balance b/d or vice versa.

Part (b) was an open-ended question aiming to assess the candidates’ ability to interpret the opening cash balance on 1 July 2022. This part question was very challenging for many candidates. Moreover, it was noticeable that many candidates confused between amount of money available in the business and capital contributed by the owner.

Other observations were:

- ‘Balance b/d’ was a recurring answer.
- The term ‘opening inventory’ was used instead of ‘opening balance’.
- Many candidates defined the cash balance as profit.

Question 8-Income Statement & Statement of Financial Position

Question 8 was a mini case scenario for the business of Richard, a dealer in electronics.

For **part (a)**, candidates were expected to apply their knowledge and understanding of the topic ‘Income Statement’ and to use the table given to prepare the Income Statement. This part question proved to be quite challenging for many candidates. However, some candidates scored full marks.

The following discrepancies were noted:

- Salaries/Advertising was recorded instead of purchases.
- Closing inventory was added when calculating cost of sales although ‘Less’ appeared in the format given.
- Cost of sales was added to Revenue while calculating gross profit.
- Purchases was recorded under ‘Expenses’.

- Arithmetical errors were common as many candidates did not use calculators.
- Candidates did not include 'Rent and rates' in the calculation of total expenses.
- 'Profit for the year' wrongly labelled as 'Gross profit 'or 'Inventory 'or 'Income.'

Part (b) was an open-ended question, where candidates had to differentiate between a current liability and a non-current liability.

The following were observed:

- Some responses included 'items held / used '(confusion between assets and liabilities).
- A few candidates only gave an example for each one without differentiating between them.
- Incomplete explanation such as 'day to day' for current liability and 'long period of time' for non-current liability.
- Some candidates inversed the definition: Non-current liability was defined as 'repayable within one year 'and current liability as 'repayable after more than one year'.

Around one quarter of the candidate population got full marks. However, the majority of candidates gave answers which were out of context and many did not attempt the question at all. More than half of the cohort did not score any mark for this item. Generally, a lack of knowledge and understanding of this particular topic was evidenced.

Conclusions and Recommendations

The overall result of the NCE BEE assessment for the batch 2021-2022 with a pass rate of 78.4% is quite satisfactory.

However, for a better qualitative result, future candidates are expected to:

- read and interpret information/ instructions properly for each question.
- pay particular attention to command words.
- acquire proper knowledge and understanding of key terms and concepts of the syllabus.
- apply / relate their knowledge to specific context / enterprise/ entrepreneur / country based on the mini case scenarios.
- analyse and pay attention to different transactions.
- have more practice in answering questions especially open-ended ones.
- understand the double entry principle and apply it for recording of business transactions.
- make effective use of a calculator to give correct figures.