



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

**MAURITIUS
EXAMINATIONS
SYNDICATE**

**NCE 2023
GRADE 9**

**BUSINESS & ENTREPRENEURSHIP
EDUCATION**

Subject code: N560

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 2023 paper is based on the Teaching and Learning Syllabus Grades 7 – 9 of the MIE¹. The assessment paper was solely 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 (Knowledge and Understanding)**, candidates were 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 (Application of Knowledge)**, candidates were 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 (Analysis)**, candidates were expected to demonstrate their ability to:

- analyse the key factors that may cause the success or 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 (Evaluation)**, candidates were 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 the implications of each business decision;
- solve problems, make judgements and decisions.

¹ Mauritius Institute of Education

The NCE Examiners' report for Grade 9 BEE offers valuable feedback on the performance of candidates and is meant to guide future candidates in their preparation for the NCE 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 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 includes multiple choice items (MCQs), matching, fill-in-the-blanks, alternative response, 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	22
2	Choosing from a set of given words, True/False & Advantage/Disadvantage	11
3	Definition of seller, factors affecting supply, factors affecting demand, law of demand, identification equilibrium point, price & quantity	11
4	Short answer and open-ended questions based on a mini Case Scenario	9
5	Short answer and open-ended questions based on a mini Case Scenario	12
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 Bank Account and balancing it off, posting appropriate items to a Cash Account and an open-ended question	7
8	Prepare an Income Statement & an open-ended question	10

Candidates were allowed to use calculators for BEE.

KEY MESSAGES

SECTION A: BUSINESS / ENTERPRISE / ECONOMICS

- Many candidates were well prepared for Section A. 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 specific context needs to be further developed to score maximum marks.
- Questions 1 and 2 were generally well attempted by most candidates.
- While question 3 was also well attempted by many candidates, ambiguity was observed for part question 3(b), pertaining to factors affecting supply. A high proportion of candidates was confused between factors affecting demand and factors affecting supply. However, part question 3(d) on demand and supply curves proved to be the most well attempted item of question 3, as most candidates successfully identified the equilibrium point, equilibrium price and equilibrium quantity from the given diagram.
- Although some candidates applied their understanding of BEE concepts to the mini case scenarios in questions 4 and 5, most candidates replicated answers from the textbook or copied the exact wordings from the given case scenarios without any attempt to apply their knowledge and understanding to the specific case scenarios.
- Some candidates did not attempt questions 4 and 5, and the responses of a high proportion of the candidates were far-fetched and irrelevant. These candidates often displayed difficulties in understanding the mini case scenarios and the related questions and hence, failed to formulate their answers properly.

The following are some considerations that may be helpful in enabling candidates to achieve better marks in Section A:

- Questions 1, 2 and 3 are best answered through a good knowledge and understanding of the key terms and concepts of the syllabus.
- For open-ended questions, 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. For example, in question 4(d), the importance of a business plan had to be explained in the context of obtaining funds (loan) from the bank.
- Candidates can score higher through more practice of similar types of questions.

SECTION B: ACCOUNTING

- Some candidates demonstrated good knowledge and understanding of the concepts/principles as outlined in the syllabus and they scored the maximum marks in Section B. However, 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 and the Bank Account was problematic for many candidates.
- Many candidates faced difficulties in balancing off the Bank account.
- Many candidates displayed a lack of preparation for open-ended questions which required some analysis on their part.

The following are some key points which can be considered so that candidates can perform better in Section B:

- More practice in answering MCQs, preparation and balancing of ledger accounts and preparation of Financial Statements.
- For open-ended questions, candidates should focus on the command words and number of marks allocated to the question and provide answers accordingly.

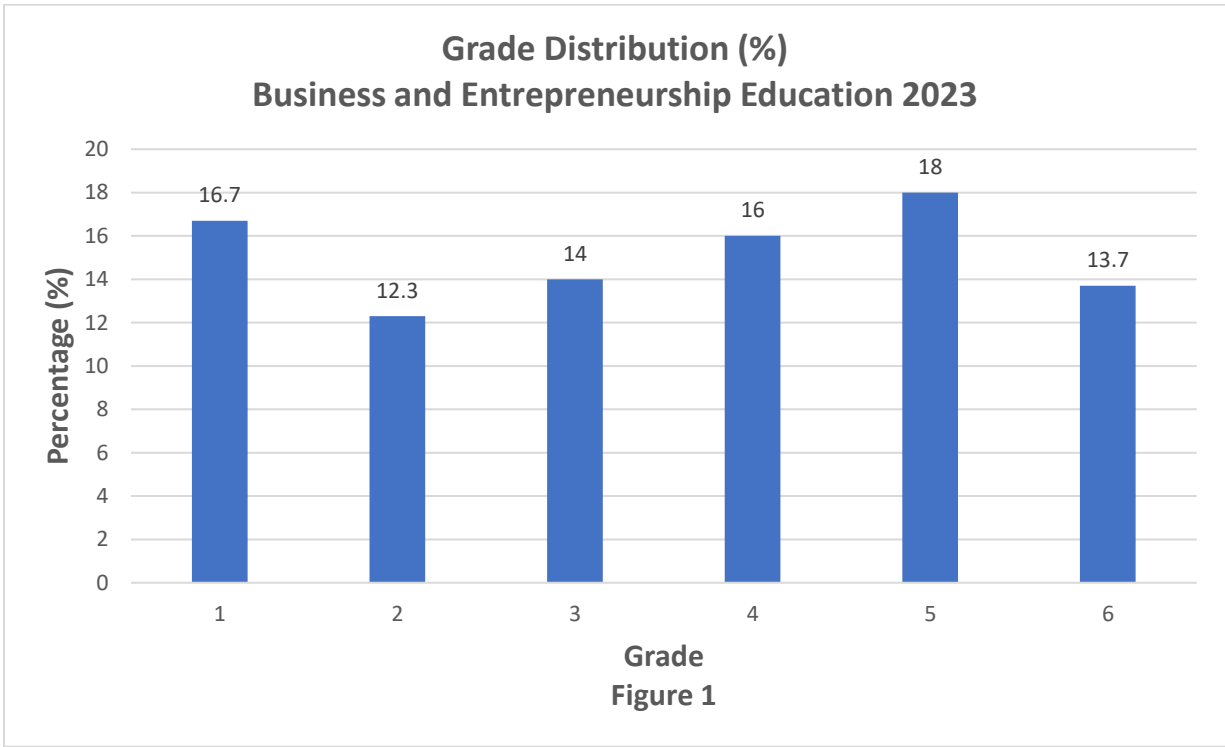
OVERALL

- Language seems to be a barrier for candidates to express themselves in open-ended questions. Some answers were ambiguous and Examiners could not understand what the candidates wanted to express. Moreover, a few answers were written in Creole or French.
- Candidates must be able to differentiate between different command words used in open-ended questions, such as “State” and “Explain”.
- 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

In 2023, the third edition of the National Certificate of Education (NCE) assessment was administered. This includes candidates of Grade 9 from the mainstream and candidates from the Grade 9+ of the extended stream.

The performance of candidates for the 2023 NCE assessment in BEE is encouraging with an overall pass rate of 90.8 % compared to 78.4 % in 2021-2022. 12349 candidates out of 13601 who were assessed for BEE in 2023 obtained Grade 6 or better in the subject. The grade wise performance of candidates for BEE is shown in **Figure 1**.



SECTION A

Question 1A- Multiple Choice Questions

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





<i>Item Number</i>	<i>Key</i>	<i>Most common incorrect choice</i>
1	C	B
2	D	C
3	C	B
4	B	A
5	A	D
6	D	C
7	D	C
8	C	B
9	C	A
10	D	B

Generally, MCQs were well attempted by most candidates. Questions 1, 4, 6 and 10 proved to be the most accessible items. However, items 2, 7 and 9 were found to be the most challenging for candidates.

Comments on specific items for Question 1A

Item 1

1. Who of the following is an **entrepreneur**?

	
A Fireman	B Policeman
	
C Ice cream seller	D Postman

This was a relatively easy knowledge-based item. Candidates were required to identify an entrepreneur from the set of pictures given. Whilst most of them could identify Option **C** – ‘Ice-Cream Seller’ as the correct answer, Option **D** – ‘Postman’ confused a few candidates.

Item 2

2. A **franchisee** is an enterprise that the license from a franchisor.

A	hires
B	lends
C	sells
D	buys

This knowledge-based item pertaining to the concept ‘Franchisee’ was not well attempted by more than 25 % of the candidate population. Many candidates could identify Option **D** – ‘buys’ as the correct answer. However, Option **C** – ‘sells’ was the most common incorrect choice as many candidates had difficulty distinguishing between ‘franchisee’ and ‘franchisor’.

Item 3





3. Personal selling is

- A** giving free gifts
- B** reducing price
- C** face-to-face selling
- D** reducing sales

Item 3 was a knowledge-based question on promotion, expecting candidates to show understanding of 'Personal Selling'. Many candidates chose the correct answer **C** – 'face-to-face selling'. However, Option A – 'giving free gifts' was a popular distractor.

Item 4





4. Which of the following is a method of **online-marketing**?

 <p>A Billboards</p>	 <p>B E-mails</p>
 <p>C Newspapers</p>	 <p>D Pamphlets</p>

Item 4, another knowledge-based question, was well attempted by many candidates who opted for Option **B** – 'E-mails'. This question was one of the most well attempted MCQ item for both the regular and extended programme candidates. More than 90 % of the regular programme candidate population and more than 70 % of the extended programme candidate population chose the key. Option D – 'pamphlets' proved to be a popular distractor for some candidates.

Item 5

5. Which of the following are **users** of a business plan?

	
A Investors	B Consumers
	
C Families	D Suppliers

Item 5 was a pictorial knowledge-based item which was successfully attempted by nearly three quarter of the candidate population who chose the correct answer **A** – ‘Investors’. However, Option D – ‘suppliers’ was a strong distractor.

Item 6

6. A **sole trading business** is owned and controlled by entrepreneur(s) only.

A four	B three
C two	D one

Item 6 was a knowledge- based question pertaining to the features of a sole trading business. It was well attempted by many candidates who opted for **D** - ‘one’. Many candidates were able to link the word ‘sole’ to ‘one’.

Item 9





9. refers to the part of profit shared among the shareholders.

- A** Share
- B** Tax
- C** Dividend
- D** Capital

This item proved to be the most challenging MCQ item as many candidates did not opt for Option **C** – ‘Dividend’. Option A- ‘Share’ was a very popular distractor. Nearly 20 % of candidates chose Option A as they might have wrongly linked it to the term ‘shareholders’.

Item 10

10. Which of the following is an example of a **franchise business**?

 <p>A A government organisation</p>	 <p>B A small market seller</p>
 <p>C A local shop</p>	 <p>D Kentucky Fried Chicken (KFC)</p>

Item 10 was well attempted by many candidates who correctly chose Option **D** – ‘Kentucky Fried Chicken (KFC)’. The fact that KFC is very popular in Mauritius helped.

Question 1B- Fill in the blanks

- This question was, on the whole, very well-tackled by candidates. Many candidates got full marks. Item 3 was the most well-answered item of this part question. However, some misconceptions were noted for Items 1, 2 and 4.

For **Item 1**, the word 'buying' might have led some candidates to choose the wrong option 'buyer'.

1. A person becomes a by buying shares.
(shareholder, buyer)

For **Item 2**, a confusion was noted between capital and profit as both refer to money.

2. In a cooperative, earned is shared among its members.
(profit, capital)

For **Item 4**, some candidates could not distinguish between a partnership and a sole trading business. They did not pay attention to the word 'joint'.

4. In a, there is joint ownership of the business.
(partnership, sole trading)







Question 1C- Matching

Generally, most candidates were able to get through this question without much difficulty as simple terms were involved and they were supported with relevant pictures.

Part 1C (i)

Part 1C (i) was based on the topic 'Money and Banking' which aimed at assessing the candidates' ability to identify the different forms of money over the course of human history.

(i)





	Term		Picture
1	Commodity money		
2	Barter system		
3	Metallic money		
4	Paper money		
5	Cheques		

More than 90 % of the regular programme and 70 % of the extended programme candidate population were able to match each item correctly. Item 3- Metallic money and item 4 -Paper money were the most well-answered items.

Part 1C (ii)

Part 1C(ii) was based on the topic ‘Entrepreneurial skills’ and aimed at assessing candidates’ knowledge and understanding of the different forms of communication.

(ii)

	Term		Picture
1	Verbal communication	A	
2	Non-verbal communication	B	
3	Visual communication	C	
4	Written communication	D	

[4]

For part 1C(ii), the best-done matching was for the term ‘written communication’. However, a handful of candidates wrongly matched the term ‘written communication’ to picture A- ‘adidas’ instead of Picture B. The confusion might have happened due to the fact that the word ‘adidas’ was written in the logo. The worst -done matching was for the term ‘Non-verbal communication’.

General observations for the matching question 1C

- It was observed that candidates fared better in the first matching question [part 1C(i)] as compared to the second matching [part 1C(ii)].
- Overall, nearly 55% of the candidate population scored full marks in the matching question 1C.
- Moreover, around 85% of the candidate population scored at least 4 out of 8 marks.

Question 2(a) – Choosing the correct terms from a set of given words

Candidates performed very well on this question, which required them to relate each of the given pictures (with descriptions) to the correct key terms.

2 Buyer and seller are in the same country



Home trade

Item 2(a)(2) was the best- answered item, with nearly 90 % of the cohort getting it correct.

3 Buying of products from other countries



Import

However, item 2(a)(3) on '**Import**' was the worst-answered item as around 25 % of the candidate population was not able to score the mark.

4 Selling products to other countries



Export

It was observed that nearly one quarter of the cohort did not score any mark for item 2(a)(4) on 'Export'. It was quite evident that these candidates had difficulty distinguishing between the terms 'import' and 'export'. Many of them might have misunderstood the direction of the arrows and ignored the given descriptions.

Question 2 (b) - True/False

This knowledge-based part question was satisfactorily attempted by most candidates who managed to score at least 3 out of 5 marks. Items 1, 3 & 4 were the most well attempted ones. However, difficulties were observed for items 2 and 5 where both answers were 'False'.

For item 2, "Central banks accept deposits from individuals", candidates might have confused between central and commercial banks, ignoring the fact that the central bank is the Government's bank.

For item 5, "In marketing, emphasis is on the product", some candidates might have failed to understand that this question pertained to the difference between marketing and selling – where in selling the emphasis is on the product and in marketing the emphasis is on the customers' needs. Moreover, candidates could have also thought of the 4Ps of marketing (Price, Product, Promotion and Place) where product is only one of the 4Ps.

Question 2(c) – Advantage /Disadvantage

This was a knowledge-based question. Candidates were required to identify whether the given statements related to either an advantage or a disadvantage to a company. Candidates fared quite well in this question by showing adequate knowledge of the advantages and disadvantages of a company.

Many candidates scored full marks for this part question while some candidates managed to score 2 over 3 marks. The most common mistake observed was the second statement; 'Has a separate legal identity' where some candidates could not relate it to an advantage as they might have probably understood it as a lengthy or complex procedure for the business.

Question 3

Question 3 was based on the topic 'Demand and Supply'. It consisted of objective type and short answer questions based on a mini case study for the enterprise of G-Tech Alarm Services. This question was generally well attempted by many candidates. Nearly 15 % of the cohort were able to score full 11 marks whereas around 80 % were able to score at least 5 out of 11 marks.

Part 3(a) -Multiple choice question with 3 options

This item was an easy knowledge-based multiple-choice question which was successfully attempted by nearly 60 % of the candidate population. However, around one quarter of the cohort went for option A – purchases goods and services instead of the correct option C - offers products for sale. They might have ignored the word 'purchases'.

Part 3(b)- Factors affecting supply- Tick (✓)

Part 3(b) was quite well attempted by many candidates. Nearly one quarter of the cohort were able to score the 3 marks as the options of answers were given and the candidates had to tick the three correct ones which pertained to factors affecting supply. However, many candidates showed confusion between the factors affecting supply and the distractors which were factors affecting demand. Therefore, they ticked options such as 'population' and 'tastes and preferences' and thus they could not score full marks.

Part 3 C (i) -Factors which are likely to influence demand - Tick (✓)

Part 3(c)(i) was well attempted by many candidates. More than half of the candidate population was able to score full marks. Candidates fared better in this item compared to item 3(b) as the distractors were not 'factors affecting supply'.

Part 3(c)(ii) -Law of demand

(ii) Use arrows (↑) or (↓) to illustrate the law of demand in the table below.

Law of demand	
Price ↑	Demand
Price	Demand ↑

[2]

This item was well attempted by nearly 70 % of the cohort who obtained the 2 marks. However, some candidates opted for a direct relationship instead of an inverse relationship between price and demand.

Part 3 (d)-Identification of equilibrium point, price and quantity

This part question assessed candidates' ability to identify the equilibrium point, price and quantity from the diagram provided. Most candidates successfully attempted it for being an easy and direct question where the answers were to be lifted from the diagram.

Part 3 (d) (i) Identification of equilibrium point

The expected answer for this item was 'Equilibrium point'. Nevertheless, a handful of candidates provided answers such as meeting point / equality of demand and supply among others which were also creditable.

Part 3 (d) (ii) Identification of equilibrium price and equilibrium quantity

More than 70 % of the candidate population was able to identify the correct answers for this item. A few candidates failed to distinguish between price and quantity. Moreover, some answers did not include 'Rs' or 'units' but were still credited though students should be encouraged to adopt the good practice of using the appropriate units.

Question 4

This question consisted of short- answer and open-ended questions based on a contextualised case scenario for *Coconut Paradise Restaurant*. It assessed candidates' knowledge and understanding (AO1), application (AO2) and analysis (AO3) skills. This question was not well answered by candidates on the whole.

Part 4 (a) – Definition of savings

Part (a) was a knowledge-based question which aimed at assessing candidates' ability to describe the term savings. Nearly one quarter of the cohort scored the 2 marks by giving a complete description of savings as 'being part of the income kept for later use'. However, more than half of the cohort did not score any mark as many candidates either did not answer this part question or gave a wrong answer.

Part 4 (b) – Definition of interest

Part (b) was a knowledge-based question which required candidates to define the term interest. Only around 15 % of the candidate population was able to give a complete definition of interest as being ‘the payment over and above the amount borrowed’ and they scored the 2 marks. Nearly three quarters of the cohort could not score any mark for either wrong answers given or simply for not attempting it. Those who scored 1 mark provided incomplete or vague answers.

Part 4 (c) (i)- Factor influencing borrowing

(c) (i) Give **one** factor that may influence the amount of money borrowed by Coconut Paradise Restaurant.

Factor: [1]

Candidates generally had difficulty in attempting this part question. Although it was an easy knowledge-based question, more than three quarters of the cohort could not identify a correct factor affecting borrowing. It was observed that many candidates wrongly gave one factor influencing savings or spending instead.

Part 4 (c) (ii) – Explanation of the factor affecting borrowing

(ii) Explain how this factor may influence the amount of money borrowed by Coconut Paradise Restaurant.

Explanation:

.....

..... [2]

This item was the least well answered part of question 4. More than 85 % of the candidate population failed to provide a relevant explanation to show how borrowing can be influenced by the factor identified in part 4(c)(i). This was mainly due to the fact that most candidates were not able to identify the factor itself.

Some common mistakes included a mismatch between the factor identified and the explanation given, and ambiguous and vague answers.

Many candidates did not attempt this part question.

A few candidates however, were able to give complete answers where the explanation was in line with the factor identified and they scored the 2 marks.

Part 4 (d) – Importance of a business plan to obtain a bank loan

(d) A commercial bank agrees to lend some funds to Coconut Paradise Restaurant. However, the bank has requested the owners to prepare a business plan.

Explain how a business plan may help Coconut Paradise Restaurant to obtain the funds from the bank.

.....

.....

..... [2]

This was an applied question where the importance of a business plan with regards to obtaining funds from the bank had to be explained.

This part question proved to be one of the least well-answered items of Section A. Less than 10 % of the cohort was able to score full marks by providing a clear explanation on how a business plan could support the business in securing funds from the bank.

Nearly three quarters of the cohort did not score any mark. Many candidates either gave wrong answers or left this part question unanswered.

Some candidates gave general answers where only the importance of a business plan was provided and scored only 1 mark.

Question 5

Question 5 consisted of short answer and open-ended questions based on a mini case scenario for the enterprise - Bio Herbal Tea (BHT). It aimed mainly at assessing candidates' ability to recall and apply their knowledge and understanding of the topic 'Marketing'.

Question 5 (a) – Characteristics of a marketable product

This item was a simple knowledge-based question as it required the candidates to recall any two characteristics of a marketable product. It was generally well attempted by most candidates.

Question 5 (b) – Importance of market research

(b)	Explain one reason how market research can help BHT to make its product more marketable.	
	Reason:	[1]
	Explanation:	
	
	[2]

For part 5(b), candidates were expected to identify one importance of market research and explain how it could help BHT to make its product more marketable. This part question proved to be one of the least well-answered items of Section A.

Generally, candidates' answers were vague, incomplete or incorrect and had very little or no application at all. More than three quarters of the candidate population did not score any mark. Many candidates did not attempt this item.

Only a handful of candidates could relate the importance of market research in making BHT's product more marketable. They provided clear answers and scored full marks.

Some common mistakes noted for Question 5(b) were:

- Only the reason was given without any explanation.
- Many candidates only provided the importance of market research without explaining how it helps in making the tea more marketable.

Part 5 (c) (i) – Identification of one factor influencing the choice of a channel of distribution

(c) The place (channel of distribution) where Bio Herbal Tea sells its product is very important for its success.

(i) Give **one** factor that may influence the choice of a channel of distribution by BHT.

Factor: [1]

Part 5(c)(i) was an application question. It was not well attempted by many candidates. Less than one quarter of the cohort was able to provide a correct factor that may influence the choice of a channel of distribution by BHT. The factor identified by most candidates was either incorrect or far-fetched. Moreover, many candidates did not answer this part.

Part 5 (c) (ii) – Explanation of the factor identified above

(ii) Explain how this factor may influence the choice of a channel of distribution by BHT.

Explanation:

.....

..... [2]

This part question required candidates to explain how the factor identified in part 5(c)(i) may influence the choice of a channel of distribution by BHT. This item was not well answered by many candidates.

Nearly three quarters of the cohort could not score any mark. Their answers were either incorrect or did not relate to the factor identified in 5(c)(i). Moreover, this item was not attempted by a large number of candidates.

Nevertheless, a handful of candidates were able to provide a very good explanation of how the factor identified in 5(c)(i) may influence the choice of a channel of distribution by BHT and they scored full marks.

Part 5 (d) – Importance of eMarketing for the business of BHT

(d) With the recent development in technology, BHT is planning to adopt electronic marketing (eMarketing) to boost its sales.

Explain **two** reasons why using eMarketing is important for BHT.

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

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

[4]

This was an analytical question requiring candidates to explain two reasons why the use of eMarketing was important for BHT. This item was quite satisfactorily attempted by many candidates.

Nearly one quarter of the candidates scored full marks. They demonstrated a good understanding of eMarketing with clear application to the business of BHT.

Many candidates were able to provide only the importance of eMarketing without any further explanation of how same will benefit BHT. They were credited only 1 mark for each importance.

However, some candidates could not score any mark as their responses were incorrect or they left this part unanswered.

SECTION B

Question 6A- Multiple Choice Questions

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

<i>Item Number</i>	<i>Key</i>	<i>Most common incorrect choice</i>
1	B	D
2	A	C and D
3	B	A and C
4	D	A
5	A	D

All the multiple-choice questions were attempted by most candidates.

Comments on specific items for Question 6A

Item 1

1. Money needed to start a business is called.....
A revenue
B capital
C rent
D drawing

This item was a relatively easy knowledge-based question on the terminology “Capital”. It proved to be the best answered MCQ for Section B. More than 80 % of the candidate population chose the key Option **B** - ‘capital’. However, option D - ‘drawing’ was a strong distractor.

Item 2

2. Which of the following refers to the costs incurred for the day-to-day running of a business?
A Expenses
B Revenue
C Interest
D Wages

This item was a knowledge-based question and the expected answer was option **A** - ‘Expenses’. However, it was observed that many candidates chose option **C** - ‘Interest’ and option **D** - ‘Wages’. Since interest and wages are both examples of expenses incurred for the running of a business, they were also accepted as correct.

Item 3

3. Cash accounts record only..... transactions.

- A bank
- B cash
- C credit
- D revenue

Item 3 was a basic knowledge-based question on 'Types of transactions and Cash Account'. Nearly three quarter of the candidate population chose the correct answer, option **B** – 'cash'. However, option A- 'bank' was a strong distractor as nearly 15 % of the cohort opted for it.

Item 4

4. Which one of the following is a current asset?

- A Machinery
- B Motor van
- C Furniture
- D Trade receivable

This item required the candidates to identify an example of a current asset from a list of items that normally enters the Statement of Financial Position. More than 60% of the candidates opted for the answer key **D** – 'Trade receivable'.

However, it was noted that option C – 'Furniture' was a major distractor with nearly 20 % of the cohort opting for it. These candidates could not differentiate between a non-current asset and a current asset.

Item 5

5. How is Cash Sales recorded?		
A	Debit Cash	Credit Sales
B	Debit Sales	Credit Cash
C	Debit Purchases	Credit Cash
D	Debit Cash	Credit Purchases

This item was based on the double-entry principle for a cash transaction. This item proved to be the least well answered MCQ for Section B. Only around 50% of the candidate population selected the right option **A** – ‘Debit Cash, Credit Sales’.

Nearly one quarter of the cohort chose Option B- ‘Debit Sales, Credit Cash’ which demonstrates that complete reversal of entries is a major problem for many candidates.

Confusion between sales and purchases was also noted in some scripts.

Question 6B- Matching

Part 6B aimed at assessing candidates’ knowledge and understanding of certain accounting terms. Candidates were required to match each term to its correct definition or description.

This part question was attempted by most candidates and proved to be one of the most scoring part question for Section B. More than three quarter of the main stream and more than half of the extended stream candidates managed to score at least 3 out of 5 marks. Nevertheless, a handful of candidates did not score any mark.

Item 6B (2): Trade payables

The expected description/ definition to be matched with ‘Trade payables’ was option **C** - ‘Amounts due to credit suppliers.’ However, many candidates chose option **G** – ‘Debts payable within one year’. Since trade payables is an example of a debt payable within one year, these candidates were not penalised.

Item 6B (3): Inventory

The expected description/ definition to be matched with 'Inventory' was option **B** - 'Goods in stock'. (However, many candidates selected option **D** – 'Items held by the business for the day to day activities' which should have been matched with the term 'Assets'.)

Item 6B (4): Bank transaction

This was an easy and straight forward item and the answer key was option **E**- 'A transaction where a cheque is paid or received'. Most candidates successfully attempted this item.

Item 6B (5): Assets

The expected description/ definition for 'Assets' was option **A** – 'What the business owns'. However, many candidates chose option **D** – 'Items held by the business for the day to day activities' which in fact describes the term 'current assets. Given that current assets are part of assets, a mark was awarded for both option A and D.

Item 6B (6): Current Liabilities

The expected description/ definition for 'Current Liabilities' was option **G** – 'Debts payable within one year'. Many candidates got this matching wrong. This was the least well answered item of question 6B. One of the reasons might be the fact that it was the last item of the matching question and many candidates had already selected option G for item 2-Trade payables.

Question 6C- Fill in the blanks

This was a knowledge-based part question where candidates had to fill in each blank with a correct term from a list of terms, as shown below.

balance c/d	expense	account
trading account	drawings	credit transaction

Most candidates attempted this part question and it was generally well-answered.

Item 1

1. An **account** is a record of the financial transactions of a business.

Most candidates opted for the correct answer 'account'. However, it was observed that some candidates chose the distractor "expense".

Moreover, a handful of candidates were confused with the two options "account" and "trading account". Hence, it was observed that they interchanged answers in the first two questions. Whilst "trading account" was chosen for the first question, "account" was given as answer to the second question.

Item 2

2. A **trading account** is prepared to calculate the gross profit or the gross loss of the enterprise.

Many candidates selected the correct answer 'trading account'. However, a few candidates selected the wrong option 'account'. Moreover, some candidates did not write the full term "trading account", but instead wrote "trade account" or only "trading".

Item 3

3. The cash withdrawn from the business by the owner for personal use is called **drawings**

This item was well-attempted by many candidates who showed a good grasp of the term “drawings”. A few candidates wrongly added word(s) to the answer such as ‘personal drawings’. This should be discouraged when words are already given.

Item 4

4. A **credit transaction** is a business transaction that is paid at a later date.

This was the best- answered item for question 6 C. Nearly three-quarters of the candidate population chose the correct answer ‘credit transaction’. However, in some scripts it was noted that the candidates wrote only “transaction” or simply “credit”.

Some recurrent difficulties which were noted are:

- Some options were used twice.
- A handful of candidates merged two answers to fill one blank space. For example, they wrote “credit account” instead of “credit transaction”.
- A few candidates wrote random terms which were not present on the list of answer keys provided.

Question 6D- ‘Account to be debited’ and ‘Account to be credited’

Date 2023	Transaction	Account to be debited	Account to be credited
September 1	Paid rent by cheque Rs 240	Rent	Bank
September 12	Purchased goods on credit from Sanna Company for Rs 9 400	<i><u>Purchases</u></i>	<i><u>Sanna Company</u></i>
September 15	Paid advertising by cash Rs 120	<i><u>Advertsing</u></i>	<i><u>Cash</u></i>

Part 6D was the least well-answered part question for Section B. Nearly one quarter of the candidate population did not score any mark. 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:

- Incorrect details/wordings were written in the table, which do not appear in the transactions.
- Some candidates wrote “Sarah”, “Sanjana”, “Sandra” and “Sanni” instead of “Sanna Company” for the September 12 transaction. However, they were awarded the mark, though they should be encouraged to write correctly.
- Wrong use of accounting terminologies such as ‘purchased goods’ instead of ‘purchases’ was seen in many scripts. This denotes a lifting of words from the given transaction.
- Complete reversal of entries was noted in many scripts.
- A few candidates reproduced ‘Rent and Bank’, the given answers for September 1 for September 12 and 15.
- Some candidates did not attempt this part question.
- 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.

Question 7- Recording business transactions in their respective accounts

Question 7 was a mini case scenario for the business of Ali Khan, a trader dealing in motor vehicle spare parts during the month of August 2023. 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 Ali Khan. Question 7 was generally not well attempted by most candidates.

Part 7(a)

Part (a) required the candidates to prepare a Bank Account from a given list of transactions in **Table 1**. They also had to balance the Bank Account at the end of the month (31 August 2023) and to bring down the balance on 1 September 2023.

This part question was not well answered by many candidates. It proved to be one of the most challenging questions in Section B. Less than 10 % of the candidate population was able to score full marks. Moreover, nearly half of the cohort was not able to score any mark.

The following issues were noted:

- Candidates did not use appropriate wordings for the "Details" column. The wording "Commission received" proved to be very challenging as most candidates wrote the word "Commission" only and hence lost 1 mark out of 3.
- Some candidates wrongly included cash and credit transactions in the Bank Account, denoting the lack of knowledge and understanding of the purpose of a Bank Account in a business.
- It was noted that some candidates wrongly posted all the transactions pertaining to the Bank account into the Cash account and vice-versa. This might be due to the order in which the accounts are introduced at school level. Normally, Cash account is introduced first. Moreover, in previous years' assessments, Cash account was given first followed by the Bank account.
- Many candidates did not balance off the Bank account.
- Some candidates showed the balance c/d but not the balance b/d or vice versa and therefore did not score the 1 mark allocated for the balancing of the account even though the computation was correct.
- Different figures for balance c/d and balance b/d were noted.
- Computation errors were common for the total, balance c/d and balance b/d figures. It was observed that some candidates did not bring calculators, which resulted in the loss of time doing the calculations in the question paper and also the loss of marks for the incorrect computations.

- The opening bank balance was ignored in the computation of totals and balances.

Part 7(b)

Part (b) assessed candidates' ability to choose the appropriate items from **Table 1** and make the relevant entries in the Cash Account. Balancing the cash account at the end of the month was **not** required. This part question was attempted better than part (a) by many candidates.

However, less than 15 % of the candidate population was able to score full marks. Moreover, around 15 % of the cohort did not score any mark.

Some specific difficulties noted with respect to the preparation of the Cash account were:

- Some candidates wrongly recorded bank and credit transactions in the Cash account.
- The reversal of entries was noted in several cases.
- Candidates could not identify the proper title of the accounts. Therefore, even though the amounts were correct, they lost marks. Some candidates resorted to "lifting" words from the transactions. For instance, 'bought goods', 'sold goods', and 'received cash' were used for 'purchases', 'sales', and 'Rajesh and Sons' respectively. Some candidates even copied the whole transaction in the 'details' column.
- Several candidates balanced the cash account which was not a requirement of the question.

Part 7(c)

This item was an open-ended question aiming to assess candidates' ability to interpret a debit bank balance.

<p>(c) What does a debit balance in the Bank Account represent?</p> <p>.....</p> <p>[1]</p>

The expected possible answers were:

- Cash at bank at end of month/ 31 August 2023
- Bank balance at end of month/ 31 August 2023
- Starting bank balance of next month/ 1 September 2023

- Asset / Current asset of the business
- Excess of debit entries over credit entries in the Bank account

This part question was found to be challenging by many candidates. Nearly 90 % of the candidate population did not score any mark. Many candidates did not attempt it. Moreover, some of the responses reflected a definition of a debit entry instead of a debit balance. This can be exemplified by the following responses:

“money coming into the business” or “money entering the business”.

Question 8-Income Statement & Open-ended question on Statement of Financial position

Question 8 was a mini case scenario for the business of Ken and Sons, a dealer in ladies' garments.

For part **8 (a)**, candidates were expected to apply their knowledge and understanding of the topic 'Income Statement' and to use the information given in **Table 2** to complete the Income Statement for the year ended 30 September 2023.

This part question proved to be quite difficult for many candidates. Less than 20 % of the candidate population scored full marks. Around 15 % of the cohort did not score any mark. However, nearly 65 % of the candidates were able to score at least 4 out of 8 marks.

The following discrepancies were noted:

- Wages/Advertising was recorded in the place of purchases.
- Closing inventory was added when calculating cost of sales although the wording 'Less' appeared in the format given.
- The amount was recorded in the wrong column.
- Alien figures were used in the calculation of 'Cost of Sales'.
- 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. Totals were computed on the script itself.
- "Interest received" was already given in the format but it was missed out while computing gross income.

- Similarly, “Rent and rates” figure was already given in the format and it was missed out in the calculation of total expenses.
- Some candidates did not attempt this question.

Part **8 (b)** was an open-ended question, expecting the candidates to state two items found in the statement of financial position.

<p>(b) State any two items of the statement of financial position.</p> <p>1.</p> <p>2.</p> <p>[2]</p>

This item proved to be a challenging one for many candidates. Nearly three quarter of the candidate population did not score any mark for this part question. Many candidates either gave wrong answers or simply did not answer this part question.

The following issues were observed:

- Many candidates stated two items found in income statement, notably opening inventory, cost of sales, gross profit and expenses.
- Some candidates were confused when exemplifying asset. For example, some candidates gave opening inventory as answer instead of closing inventory.
- This question was not attempted by a handful of candidates.
- A few candidates correctly identified assets and liabilities as answers but they unnecessarily wasted their time in giving examples of each.
- A handful of candidates gave “profit and loss account” as answer.
- Generally, a lack of knowledge and understanding of this particular topic was evidenced.

Conclusions and Recommendations

In order to obtain better results, candidates are expected to:

- read and interpret information/ instructions properly for each question.
- pay particular attention to the command words given.
- understand and use key terminologies found in the syllabus.
- gain an in-depth understanding of key concepts of the syllabus.
- apply the specific knowledge of the syllabus content to the specific context of a trader.
- read different transactions carefully and extract relevant information.
- have more practice in answering open-ended questions.
- review the basic principles of double-entry system and apply it to record business transactions.
- make use of a calculator to save time and for correct computations.