🚨 THE EXAMINER'S HIT LIST

10 Ways AS Accounting Students Lose Easy Marks. A Special Guide for Cambridge AS Accounting Students. Most students lose marks not because Accounting is difficult. They lose marks because the examiner hides traps inside otherwise straightforward questions.

This guide reveals the 10 most dangerous traps and shows you exactly how to avoid them.

TRAP #1
The Irrecoverable Debt Sequence Trap

What Students Do
Trade Receivables = $50,000
Additional Irrecoverable Debt = $2,000
Allowance = 5%
Students calculate:
5% × $50,000 = $2,500 ❌

What Examiners Expect
Step 1: Remove the irrecoverable debt
$50,000 – $2,000 = $48,000
Step 2: Calculate the new allowance
5% × $48,000 = $2,400 ✅

Golden Rule
Always remove newly discovered irrecoverable debts before calculating the allowance.

TRAP #2
The NRV Illusion

What Students Do
Cost = $1,000
Selling Price = $1,200
Repair Cost = $300
Students choose Cost = $1,000 because selling price appears higher.

What Examiners Expect
NRV = $1,200 – $300
NRV = $900
Inventory must be valued at $900 ✅

Golden Rule
Always deduct repair and selling costs before comparing with cost.

TRAP #3
The Mark-up vs Margin Disaster

Remember
Mark-up = Based on Cost
Margin = Based on Sales
Quick Formula
If Mark-up = 25%
Cost = 100
Sales = 125
Therefore:
Cost of Sales = Revenue × (100/125)

Golden Rule
Never apply mark-up directly to sales revenue.

TRAP #4
The Depreciation Decoy

What Students Do
Machine purchased on 1 October.
Students automatically calculate 6 months' depreciation.

What Examiners Expect
Read the accounting policy first.
If the policy states:
"A full year's depreciation is charged in the year of acquisition"
then charge a full year's depreciation.

Golden Rule
Policy beats dates.

TRAP #5
The Control Account Mix-Up

Remember
Discount Allowed → Sales Ledger Control Account
Discount Received → Purchases Ledger Control Account
Contra Entry:
Credit SLCA
Debit PLCA

Golden Rule
Never mix customer transactions with supplier transactions.

TRAP #6
The Costing Profit Difference

What Students Think
"The profits don't match. I must have made a mistake."
Reality
Different profits are expected.
Absorption Costing carries part of fixed overhead into inventory.
Marginal Costing expenses all fixed overhead immediately.

Golden Rule
Different inventory levels = Different profits.

TRAP #7
Income in Advance Trap

Easy Memory Aid
Expense Paid in Advance = Asset
Income Received in Advance = Liability

Golden Rule
Ask yourself:
"Who owes whom?"

TRAP #8
Capitalisation Creep

Capitalise
✔ Purchase Cost
✔ Delivery
✔ Installation
✔ Legal Fees
Expense Immediately
✗ Repairs
✗ Maintenance
✗ Insurance

Golden Rule
Only include costs required to bring the asset into working condition.

TRAP #9
Error of Reversal

What Students Forget
A reversal error affects BOTH sides incorrectly.
Correction
Journal entry = Double the original amount.

Golden Rule
Half cancels the error.
Half records the correct transaction.

TRAP #10
Bank Reconciliation Perspective Trap

Bank Statement
Credit = Positive Balance
Debit = Overdraft
Cash Book
Debit = Positive Balance
Credit = Overdraft
Golden Rule
The Bank Statement is written from the bank's perspective, not yours.

FINAL EXAM DAY CHECKLIST
Before submitting your paper:

☐ Removed irrecoverable debts before allowance calculation
☐ Checked NRV for repair and selling costs
☐ Confirmed mark-up vs margin
☐ Read depreciation policy carefully
☐ Checked SLCA and PLCA entries
☐ Expected costing profits to differ
☐ Classified income in advance correctly
☐ Separated capital and revenue expenditure
☐ Doubled reversal error corrections
☐ Confirmed bank reconciliation perspective

Want More Exam-Focused Resources?
🌐 www.accountingwithad.com
📱 WhatsApp: +91 62658 48880
Master the concepts. Beat the traps. Score the marks.