**Activity 32: Settling the balance**

**Answer**

B. An underpayment of £1,500

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Frazzle Ltd | | | | | |
| **Date** | **Details** | **Amount £** | **Date** | **Details** | **Amount £** |
| 1 March | Balance b/f | 6,200 | 4 March | Credit Note 58 | 700 |
| 9 March | Sales Invoice 145 | 1,500 | 7 March | Bank | 5,500 |
| 17 March | Sales Invoice 184 | 2,100 | 20 March | Credit Note 67 | 400 |
| 22 March | Sales Invoice 191 | 2,800  12,600 | 31 March | Balance c/f | 6,000  12,600 |

The balance outstanding on Frazzle Ltd’s account is £6,000. The cheque was for £4,500, which represents an underpayment of £1,500.