3   The discount allowed account had been overstated by $310.

4   A sales invoice for $998 had been completely omitted from the accounts.

5   A debit balance of $2102 had been omitted from the list of debtors.

6   A debtor who owed $896 had been declared bankrupt during March 2010. The debt had been written off in the control account, but no entry had been made in the debtor's account.

7   A receipt for $630 had been debited to the bank account but omitted from the debtor's account.

8   An entry for $816 in the sales journal (day book) had not been posted to the debtor's account.

9   A sales ledger account had been understated by $200.

10   A page of the sales journal (day book) with entries totalling $3856 had been omitted from total sales. The amounts had, however, been posted to the debtors' accounts.

REQUIRED

(b) (i)   Beginning with the closing balance which you have calculated in **(a)**, prepare a statement showing the amended balance on the control account.

Amendments to sales ledger control account

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(ii) Beginning with Harvey Rabbit's sales ledger balance of $26 845, prepare a statement amending the total of the sales ledger balance to agree with the new control account balance.

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(c) State **three** advantages of keeping control accounts.

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(b) Calculate the production levels in units at which the net profit for cabinet 2 would equal the net profit for cabinet 3.

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(c) Calculate the profit or loss attainable for **each** of the **three** options at annual sales levels of:

(i) 200 000 units   Cabinet 1   Cabinet 2   Cabinet 3

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(ii) 250 000 units   Cabinet 1   Cabinet 2   Cabinet 3

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(iii) 300 000 units

	Cabinet 1	Cabinet 2	Cabinet 3
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(d) Calculate the minimum production level in units at which it would pay Garth Vader to manufacture the cabinets instead of buying in cabinet 1.

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(e) State **four** assumptions made when using break-even analysis.

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