6 A trader prepared a trial balance which did not balance. The difference was posted to a suspense account.

The following errors have now been found.

1 The returns inwards account had been overcast by $90.

2 A payment of $200 for rent had been entered correctly in the cash book but had not been posted to the rent account.

What was the opening balance on the suspense account?

A $110 credit

B $110 debit

C $290 credit

D $290 debit

7 How could a credit entry of $500 in X's account have arisen in the books of account of Y?

A X bought goods from Y.

B X returned goods to Y.

C Y made a payment to X.

D Y returned goods to X.

8 An invoice for purchases was credited to the purchases account.

How will the balance on the purchases account be corrected?

A decrease by the value of the invoice

B decrease by twice the value of the invoice

C increase by the value of the invoice

D increase by twice the value of the invoice