

- 5 Which statement about the sales ledger control account is correct?
- A It is to verify the total of the customers' account balances in the sales ledger.
 - B It is used to calculate the gross profit on sales.
 - C It is used to calculate the total sales for the year.
 - D It is used to reconcile the cash received from customers with the bank statement.
- 6 In which book of prime entry is the contra between the sales ledger control account and the purchase ledger control account recorded?
- A cash book
 - B general journal
 - C purchases journal
 - D sales journal
- 7 A business omitted discounts allowed of \$700 from its trial balance. During the year a machine had been sold for cash of \$500 but the only accounting entry made was a debit in the bank account.

What is the balance on the suspense account before these errors are corrected?

- A \$200 debit B \$1200 debit C \$200 credit D \$1200 credit

- 8 In an income statement carriage outwards of \$5000 has been treated as carriage inwards.

Carriage inwards of \$3000 has been treated as carriage outwards.

What are the effect(s) of these errors on the profit?

	gross profit	profit for the year
A	overstated by \$2000	understated by \$2000
B	overstated by \$8000	no effect
C	understated by \$2000	no effect
D	understated by \$8000	overstated by \$8000