

- 6 A sales ledger control account had a debit balance of \$38 600. The total of individual sales ledger debit balances was \$36 500. The only errors found were as follows.

An irrecoverable debt had been recorded in the ledger of Smith but not the control account.

The sales journal was undercast by \$1500.

A contra of \$1750 had been correctly recorded in the control account but only \$1250 recorded in the ledgers.

What was the value of the irrecoverable debt?

- A** \$100 **B** \$1100 **C** \$3100 **D** \$4100

- 7 The following information is available.

	\$
provision for doubtful debts at the beginning of the year	6 250
trade receivables at the end of the year	93 750

Provision for doubtful debts is to be maintained at 6% of trade receivables.

Which effect will the provision for doubtful debts have on profit for the year in the income statement?

- A** decrease by \$625
B decrease by \$5625
C increase by \$625
D increase by \$5625

- 8 At 31 December the following information is available about a company's banking transactions.

	\$
balance at bank per bank statement	22 650
uncleared deposits	3 110
unpresented cheques	6 290
bank credit recorded twice by bank in error	650

Which value for bank should be recorded in the statement of financial position at 31 December?

- A** \$18 820 **B** \$20 120 **C** \$25 180 **D** \$26 480