

7 The trial balance of a business did not balance. The following errors were found.

- 1 The total of the purchases journal of \$33 030 had been posted to the purchases account in the general ledger as \$33 000.
- 2 Discount received of \$50 had been entered on the debit side of the discount received account.

What was the original balance on the suspense account?

- A \$20 credit
- B \$20 debit
- C \$70 credit
- D \$70 debit

8 The bank column of a cash book showed a credit balance of \$5000. There were unpresented cheques amounting to \$1500. The bank statement showed bank charges, \$700, which were not recorded in the cash book.

What is the balance on the bank statement?

- A \$4200 credit
- B \$4200 debit
- C \$5800 credit
- D \$5800 debit

9 During the financial year a business paid \$295 000 to its trade payables, after taking a cash discount of \$15 000.

At the start of the year the trade payables balance was \$25 000. At the end of the year \$32 000 was owed to trade payables.

What was the amount of credit purchases made during the year?

- A \$288 000      B \$302 000      C \$303 000      D \$317 000

10 What would **not** result in goodwill?

- A good reputation of a business
- B selling high quality products
- C selling products above market value
- D skill of the workforce