

- 9** A business prepared a trial balance that included a suspense account. Draft financial statements were prepared which showed a profit for the year of \$85 000.

The following errors were then discovered.

- 1 Discounts allowed of \$1000 had been debited to the discounts received account.
- 2 Motoring expenses of \$4000 had been debited to the purchases account.
- 3 A payment for purchases of \$5000 had been correctly entered in the cash book but credited to the drawings account.

After correcting these errors the balance on the suspense account was eliminated.

What was the revised profit for the year?

- A** \$76 000      **B** \$78 000      **C** \$80 000      **D** \$82 000

- 10** Amit compared his bank statement with his cash book.

How did Amit deal with the items revealed by this comparison?

	updating his cash book	including in bank reconciliation statement
<b>A</b>	bank charges	timing differences and bank errors
<b>B</b>	bank charges and bank errors	timing differences
<b>C</b>	timing differences and bank errors	bank charges
<b>D</b>	timing differences	bank charges and bank errors