

- 7 At the end of a financial year, the debit balance on a trader's sales ledger control account was \$26 800. At the same date, his sales ledger balances totalled \$30 000. He discovered the following.

- 1 A dishonoured cheque of \$1000 had been omitted from the sales ledger control account.
- 2 A sales ledger credit balance of \$500 had been listed as a debit balance.
- 3 The sales journal had been undercast by \$1200.

What was the amount of trade receivables to be included in the statement of financial position?

- A** \$26 600      **B** \$29 000      **C** \$29 500      **D** \$31 000

- 8 A trader extracted the following information from his books of account at 31 March 2021.

	\$
purchases ledger balances at 1 March 2021	32 100
credit purchases for March	26 400
cheques paid to credit suppliers in March	29 700
contra with sales ledger	600
discount received	400

What was the closing balance on the purchases ledger control account at 31 March 2021?

- A** \$27 800      **B** \$29 800      **C** \$29 000      **D** \$34 400

- 9 Some items of closing inventory have been incorrectly included in the financial statements at their cost prices rather than their net realisable values.

What was the effect of this error?

	profit for the year	current assets
<b>A</b>	higher	higher
<b>B</b>	lower	lower
<b>C</b>	higher	lower
<b>D</b>	lower	higher