

- 7 A sales ledger control account has a closing balance of \$21 000.

It was discovered that a contra entry with the purchases ledger control account for \$700 had been incorrectly entered on the wrong side of the sales ledger control account.

What was the correct sales ledger control account balance?

- A** \$19 600      **B** \$20 300      **C** \$21 700      **D** \$22 400

- 8 A sole trader does not keep a complete set of books of account. He believes a staff member has stolen some cash.

Which items will **not** be needed to calculate the amount missing?

- 1 cash in hand at the beginning and end of the year
- 2 owner's drawings taken from the bank
- 3 cheques received from customers
- 4 totals of cash sales and cash purchases

- A** 1 and 4      **B** 2 and 3      **C** 2 only      **D** 3 only

- 9 A business provides the following information.

	trade receivables \$	provision for doubtful debts \$
31 December 2018	46 200	1386
31 December 2019	48 100	1924

Which statement must be correct?

- A** The rate of provision for doubtful debts has decreased.  
**B** The rate of provision for doubtful debts has increased.  
**C** The value of irrecoverable debts incurred has decreased.  
**D** The value of irrecoverable debts incurred has increased.

- 10 On 1 March a company has prepaid \$3600 for 12 months' travel costs. It also has an outstanding hotel bill of \$180.

During March it pays the outstanding hotel bill and a further \$700 for airline tickets for the month.

At 31 March it has an outstanding hotel bill of \$220.

What is the correct cost of travel in the income statement for March?

- A** \$920      **B** \$1220      **C** \$1400      **D** \$4520