

- 8 A creditor for \$720 transferred from the purchases ledger has been entered on the wrong side of the sales ledger control account.

The sales ledger control account has a closing balance of \$92 460, before correcting the transfer. A provision for doubtful debts of £1000 is to be made.

What is the correct balance on the sales ledger control account?

- A \$90 020
- B \$91 020
- C \$91 740
- D \$92 180

- 9 Closing stock has been undervalued.

What is the effect on the financial statements?

	net current assets	net profit
A	no effect	understated
B	overstated	overstated
C	understated	no effect
D	understated	understated

- 10 A trader's cash book shows a debit balance of \$12 460 at 30 April. Bank charges of \$4500 have not been entered in the cash book.

A cheque for \$14 470 received from a debtor and a cheque for \$1740 paid to a creditor appear in the cash book but not on the bank statement.

What is the balance shown on the bank statement at 30 April?

- A \$4770 credit
- B \$4770 debit
- C \$20 690 credit
- D \$20 690 debit

- 11 How can net profit be calculated?

- A Closing Capital + Drawings – Additional Capital – Opening Capital
- B Closing Capital – Drawings + Additional Capital – Opening Capital
- C Opening Capital + Drawings – Additional Capital – Closing Capital
- D Opening Capital – Drawings – Additional Capital – Closing Capital