

- 11 The year-end balance in the cash book was \$23 780. This was different from the balance on the bank statement. The difference was due to the following items.

	\$
a bank error meant a cheque was incorrectly debited to the bank account	560
a customer's cheque which was dishonoured	1 375
bank charges	216

Which figure should be included as cash at bank in the statement of financial position?

- A \$21 629      B \$22 189      C \$25 371      D \$25 931
- 12 Which item is **not** recorded in the sales ledger control account?
- A allowance for irrecoverable debts  
B dishonoured cheque  
C returns inwards  
D settlement discount
- 13 The closing balance of a purchases ledger control account was \$7480. It did **not** agree with the total of the suppliers' balances in the purchases ledger. The following two errors were found.
- 1 An error of original entry occurred when a credit note from a supplier for \$120 had been recorded as \$210.
  - 2 Interest charged on an overdue supplier's account of \$40 had been debited to the purchases ledger control account.

What is the corrected balance of the purchases ledger control account?

- A \$7470      B \$7490      C \$7520      D \$7650
- 14 Which statements are correct?
- 1 An increase in the allowance for irrecoverable debts increases profit for the year.
  - 2 Irrecoverable debts decrease profit for the year.
  - 3 Rental income received in advance at the end of the period will increase profit for the year.
  - 4 Revenue which has been earned but not yet received will increase profit for the year.
- A 1 and 3      B 1 and 4      C 2 and 3      D 2 and 4