

10 Which statement is **not** correct?

- A Control accounts reveal whether there are errors in sales and purchases ledgers.
- B Credit balances in a sales ledger are trade receivables.
- C Debit balances in a purchases ledger are current assets.
- D A sales ledger control account includes irrecoverable debts.

11 A business maintains an allowance for irrecoverable debts of 5% of trade receivables. At the end of the current financial year, trade receivables totalled \$8000 which was 20% less than the year before.

How will the profit for the current financial year be affected by the change in the allowance for irrecoverable debts?

- A decrease by \$100
- B decrease by \$400
- C increase by \$100
- D increase by \$400

12 A trader does **not** keep full records but supplies the following information.

	1 January	31 December
	\$	\$
bank (debit)	4240	6320
cash balance	264	271

Cheques issued during the year were \$19 950.

All takings from sales were banked except that cash of \$5400 was used for drawings and \$7200 was paid for wages.

In addition, \$3000 was paid to bank from the sale of a motor vehicle.

What was the total amount of sales during the year?

- A \$22 037 B \$31 630 C \$31 637 D \$34 637