

**7** A trial balance did not agree and the book-keeper found the following errors.

- 1 A bank overdraft of \$100 had been shown as a debit in the trial balance.
- 2 A cash purchase of \$160 had been entered in the purchases account as \$150; the purchase was entered correctly in the cash account.
- 3 A telephone invoice for \$400 had been debited to the insurance account.

The book-keeper opened a suspense account in order to correct the errors.

What was the opening entry in the suspense account?

- A** credit \$190
- B** credit \$210
- C** debit \$60
- D** debit \$550

**8** A bank statement shows a credit balance of \$8360. Comparison with the cash book reveals:

- 1 bank charges of \$124 have not been entered in the cash book
- 2 cheques received from customers for \$16 223 have not been credited by the bank
- 3 cheques sent to suppliers for \$18 725 have not been presented.

What is the correct cash book balance?

- A** \$5734 credit
- B** \$5734 debit
- C** \$5858 debit
- D** \$10 986 credit

**9** Which statements are benefits of control accounts?

- 1 They check the numerical accuracy of the ledgers.
- 2 They help to identify missing entries in books of prime entry.
- 3 They provide details of individual transactions.
- 4 They provide information for financial statements quickly.

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