

- 11** What do the debit side closing balance carried down and the credit side opening balance brought down represent in a sales ledger control account?

| | debit side closing balance carried down | credit side opening balance brought down |
|----------|--|---|
| A | owing from customers | owing from customers |
| B | owing from customers | owing to customers |
| C | owing to customers | owing from customers |
| D | owing to customers | owing to customers |

- 12** The purchases ledger control account for a business shows a closing balance of \$7640.

The following items were then discovered.

- 1 A purchase invoice for \$250 had been entered in the purchases ledger but not in the purchases journal.
- 2 A sales ledger contra of \$630 had not been entered.
- 3 A supplier's account with a debit balance of \$70 had been omitted from the control account.
- 4 Returns inwards of \$540 had been entered on the debit side of the control account.

What was the credit balance to carry down after adjusting for these items?

- A** \$7330 **B** \$7410 **C** \$7730 **D** \$7870

- 13** In a draft statement of profit or loss, two errors were discovered.

- 1 A profit of \$6000 on the disposal of equipment had been treated as a loss.
- 2 A charge of \$18 000 for the depreciation of a motor vehicle had been omitted.

What was the effect of these errors on the draft profit for the year?

- A** overstated \$6000
B overstated \$12 000
C understated \$6000
D understated \$12 000