

- 2 Usman has extracted the following information from his books of account in order to update the sales ledger control account for the month of August 2022.

	\$
Balance brought down at 1 August 2022	34 210
Cheque receipts from credit customers	32 840
Customers' dishonoured cheques	1 020
Sales journal totals	29 760
Sales returns journal totals	980

Usman has produced a list of all customer account balances at 31 August 2022 totalling \$30 477.

He has discovered the following:

- 1 The total of the sales journal had been overcast by \$600.
- 2 Discounts allowed of \$218 had been entered in customers' accounts but no entries had been made in the control account.
- 3 A contra for \$325 had been correctly entered in both the customer's account and the supplier's account.
- 4 A customer's overpayment of \$65 had been repaid by cheque but no entries had been made in the books of account.
- 5 A cheque received from Musa for \$250 had been posted to the account of Hussein.
- 6 An irrecoverable debt of \$180 had been correctly written off in a customer's account but had not been entered in the control account.
- 7 A credit balance of \$315 on a customer's account had been incorrectly entered as a debit balance in the list of customer account balances at 31 August 2022.

REQUIRED

- (a) Prepare the updated sales ledger control account for the month of August 2022.

Sales ledger control account

	\$		\$
Balance b/d	34 210		

[9]

- (b) Prepare an amended total of customer account balances to agree with the sales ledger control account balance in (a).

	\$
Original total of customer account balances	30 477

[3]

(c) State **one** limitation of preparing a control account.

.....
..... [1]

(d) Explain why a sales ledger control account would help in the prevention of fraud.

.....
.....
.....
..... [2]