

- 8 The bank statement of a business showed a credit balance of \$3421, which did not agree with the balance in the cash book.

Further investigation revealed that a receipt entered in the cash book for \$125 and a payment for \$455 had not yet appeared on the bank statement.

The bank statement showed bank charges of \$64 and a credit transfer of \$177 which had not been entered in the cash book.

Which balance was shown in the cash book **before** making the necessary changes and preparing a reconciliation statement?

- A \$2978 B \$3091 C \$3204 D \$3421

- 9 Which statements describe the benefits of preparing control accounts?

- 1 assists in detection of fraud
- 2 assists in finding errors of original entry
- 3 assists in finding transposition errors
- 4 assists in preparation of financial statements

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

- 10 A trade payable for \$720 transferred from the purchases ledger has been entered on the wrong side of the sales ledger control account.

The sales ledger control account has a closing balance of \$92 460 before correcting the transfer. An allowance for irrecoverable debts of \$1000 is to be made.

What is the correct balance on the sales ledger control account?

- A \$90 020 B \$91 020 C \$91 740 D \$92 180