

- 5 The sales ledger control account of a business had a closing balance of \$21 650. This did not agree with the total of the sales ledger balances.

The following errors were discovered.

Discount allowed of \$1460 was entered in the debit of the sales ledger control account.

A sales invoice of \$1200 to J Ravi had been entered in the account of J Rajid.

A contra to the purchase ledger had been entered in the sales ledger correctly as \$600 but in the sales ledger control account as \$900.

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

- A** \$19 030      **B** \$20 490      **C** \$24 870      **D** \$25 770

- 6 A bank reconciliation statement shows a credit balance of \$400 in the cash book and a balance in hand of \$100 in the bank statements.

The bank reconciliation statement includes unpresented cheques of \$700 in addition to cheques banked and not yet credited in the bank statements.

What is the total of cheques banked and not yet credited?

- A** \$200      **B** \$400      **C** \$1000      **D** \$1200

- 7 A suspense account was opened when a trial balance failed to balance. It was then discovered that returns of \$200 had been correctly entered in the supplier's account but debited in the sales returns account. This was the only error.

What was the balance on the suspense account before this error was corrected?

- A** credit \$200  
**B** credit \$400  
**C** debit \$200  
**D** debit \$400

- 8 At the end of its financial year a business had trade receivables of \$16 000 and a provision for doubtful debts of \$640. The provision is to be maintained at 5%.

Which amount is shown in the income statement?

- A** \$160 expense  
**B** \$160 income  
**C** \$800 expense  
**D** \$800 income