

- 9 The balance on a Sales Ledger Control account is \$40 000.

The following items are then discovered:

	\$
Total of sales day book understated	500
Discounts allowed not entered in Sales Ledger Control account	1 200
Bad debts written off not recorded in Sales Ledger Control account	400
Provision for bad debts	2 500

What is the total of the balances in the sales ledger?

- A** \$37 900      **B** \$38 600      **C** \$38 900      **D** \$41 100
- 10 The trial balance of a business does not agree. The difference has been entered in a Suspense account.

The error was caused by a cheque for \$400 from Omar being debited to Omar's account.

What is the journal entry to correct this?

	debit	credit	with
<b>A</b>	Bank account	Suspense account	\$400
<b>B</b>	Suspense account	Omar's account	\$400
<b>C</b>	Suspense account	Omar's account	\$800
<b>D</b>	Suspense account	Bank account	\$800

- 11 On 6 January 2002 a firm lost all its stock in a fire. Stock had a Balance Sheet valuation of \$650 000 on 31 December 2001.

In the period 1–5 January 2002 purchases were \$75 000 and sales were \$96 000.

The average gross profit the firm makes is 25% of selling price.

What was the value of the stock on 5 January?

- A** \$629 000      **B** \$647 000      **C** \$653 000      **D** \$671 000