

- 9 The correct balance on the purchases ledger control account is \$63 000 but has been entered in the trial balance as \$36 000. The difference on the trial balance has been entered in a suspense account.

Which journal entry corrects this error?

	account to be debited	\$	account to be credited	\$
<b>A</b>	purchases ledger control account	27 000	suspense account	27 000
<b>B</b>	-		suspense account	27 000
<b>C</b>	suspense account	27 000	-	
<b>D</b>	suspense account	27 000	purchases ledger control account	27 000

- 10 Who is most likely to use the creditors' ledger?

- A** cashier
- B** credit controller
- C** creditors
- D** purchases controller

- 11 A business sells some of its stock for \$500 on credit to a customer. The stock originally cost \$600.

What is the effect of this transaction on the balance sheet?

	current assets	owner's capital
<b>A</b>	decrease by \$100	decrease by \$100
<b>B</b>	decrease by \$100	increase by \$100
<b>C</b>	increase by \$100	decrease by \$100
<b>D</b>	increase by \$100	increase by \$100

- 12 A company's policy is to depreciate its equipment by 30 % annually using the reducing balance method.

A piece of equipment which was two years old was sold for \$6000 and the profit on sale was \$1590.

What was the cost price of the equipment?

- A** \$7590
- B** \$9000
- C** \$9600
- D** \$11 025