

- 5** A sales ledger control account was prepared. An irrecoverable debt of \$40 was omitted and a discount allowed of \$68 was entered as \$86.

What was the total effect of these errors on the closing balance of the sales ledger control account?

- A** \$22 overstated
- B** \$22 understated
- C** \$58 overstated
- D** \$58 understated

- 6** The trial balance totals are as follows:

debit	\$500 150	credit	\$500 000
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Which error could have caused the difference?

- A** A cash sale has only been recorded in the sales account.
  - B** A credit purchase has only been recorded in a supplier's account.
  - C** A credit sale has not been recorded.
  - D** A credit sale has only been recorded in a customer's account.
- 7** A business maintains a provision for doubtful debts of 5% per annum. It has trade receivables balances of \$560 000 at the start and \$468 000 at the end of the financial year.

Which statements are correct?

- 1 Customers' accounts have been credited with \$4600.
- 2 \$4600 is treated as income in the income statement.
- 3 \$4600 is deducted from current assets in the statement of financial position.

- A** 1, 2 and 3      **B** 1 only      **C** 2 only      **D** 2 and 3 only