

- 8 A bookkeeper prepared a sales ledger control account.

The following errors were then discovered.

- 1 An invoice posted to an individual customer's account had been recorded as \$95 instead of \$59.
- 2 The total of receipts from customers had been undercast by \$200.
- 3 Discount received from suppliers had been included in the control account.
- 4 A provision for doubtful debts had been included in the control account.

Which errors would result in the closing balance on the control account failing to agree with the total of the customers' account balances?

- A** 1, 2, 3 and 4
B 1, 2 and 3 only
C 1 and 4 only
D 3 and 4 only
- 9 A business maintains a mark-up of 40%. The following information was available for the year.

	\$
revenue	280 000
inventory at start	44 000
purchases	175 000

What was the value of closing inventory?

- A** \$19 000 **B** \$37 000 **C** \$51 000 **D** \$69 000
- 10 A business does not include a prepayment for rent receivables in its financial statements at the end of the year.

Which effects does this have?

	current assets	current liabilities	profit for the year
A	no effect	overstated	understated
B	no effect	understated	overstated
C	overstated	no effect	overstated
D	understated	no effect	overstated