

5 Why does a business maintain sales and purchases ledger control accounts as part of the double entry accounting system?

- 1 It allows a trial balance to be prepared easily from the nominal ledger.
- 2 It can involve separate employees which makes fraud more difficult.
- 3 There is no need to keep sales and purchases journals.
- 4 There is no need to reconcile with personal accounts for customers and suppliers.

A 1 and 2 only **B** 1, 2 and 3 **C** 1, 3 and 4 **D** 2, 3 and 4

6 Doug received his business bank statement. He updated the cash book and prepared the bank reconciliation statement.

Which items appeared on the bank reconciliation statement?

	bank charges	customer payments by direct debit	uncredited deposits
A	no	no	yes
B	no	yes	yes
C	yes	no	no
D	yes	yes	no

7 At 31 December 2021, the sales ledger control account had a balance of \$19 100 while the total balances in the sales ledger were \$20 900.

The following reconciliation statement had been prepared after the errors were located.

	\$
balance of sales ledger control account	19 100
credit sales omitted from the sales journal	1 600
discount allowed understated in sales ledger	200
total of balances in the sales ledger	20 900

What is the correct amount of total trade receivables as shown in the statement of financial position?

A \$17 500 **B** \$18 900 **C** \$19 300 **D** \$20 700