

- 3 Jason is responsible for preparing his business's accounting records. He has discovered some errors in this year's accounts.

### REQUIRED

- (a) State **two** types of error which do **not** affect the agreement of the totals of a trial balance.

1 .....

2 .....

[2]

### Additional information

When Jason prepared a trial balance on 30 September 2019 the totals did not agree. The total of debit entries was greater than the total of credit entries by \$1140. A suspense account was opened for the difference. Subsequently the following errors were found.

- 1 The total of the sales returns journal was undercast by \$90.
- 2 The owner had withdrawn inventory valued at cost, \$870. The only entry made was to debit the drawings account.
- 3 The total of the discount received column in the cash book, \$180, had been debited to the discounts allowed account.

There were no other errors.

### REQUIRED

- (b) Prepare entries in the general journal to correct these errors. Narratives are **not** required.

#### General Journal

		Dr	Cr
		\$	\$
1			
2			
3			

[5]

(c) Prepare the suspense account.

Suspense Account

	\$		\$

[4]

**Additional information**

The business's draft profit for the year ended 30 September 2019 was \$68440 before taking account of the errors.

**REQUIRED**

(d) Calculate the corrected profit for the year ended 30 September 2019.

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..... [4]