

8 A trial balance fails to agree and the bookkeeper finds the following errors.

- 1 A bank overdraft of \$100 was shown as a debit in the trial balance.
- 2 A telephone bill for \$400 was debited to the insurance account.
- 3 A cash purchase of \$160 was entered in the purchases account as \$150; the purchase was entered correctly in the cash account.

The bookkeeper opens a suspense account in order to correct the errors.

What is the opening entry in the suspense account?

- A** credit \$190
- B** credit \$210
- C** debit \$60
- D** debit \$550

9 A new business was established with opening capital of \$15 000. At the end of the year net assets were \$20 000. During the year the proprietor's drawings were \$3000 and this resulted in an overdraft at the end of the year of \$4000.

What was the profit during the year?

- A** \$2000
- B** \$4000
- C** \$5000
- D** \$8000

10 The financial year of a manufacturer ends on 31 December. Finished goods are valued at factory cost plus 20 %.

The following information is available.

	1 January \$	31 December \$
stock of finished goods at cost plus 20 %	2400	3000

How much should be deducted from the stock of finished goods in the balance sheet at 31 December for unrealised profit?

- A** \$100
- B** \$400
- C** \$500
- D** \$600