

- 5 A company prepared its purchases ledger control account which showed a balance of \$15 960. The following items were then discovered.

- 1 Discounts received of \$450 had been entered into the purchases ledger control account as \$540.
- 2 A payment of \$720 to a supplier had not been entered in his account.
- 3 The purchases ledger debit balances carried down totalling \$110 had been omitted from the control account.
- 4 A contra of \$170 had been entered in the purchases ledger but not in the purchases ledger control account.

What was the correct total of the trade payables?

- A** \$15 050      **B** \$15 240      **C** \$15 990      **D** \$16 150

- 6 An accountant prepared a bank reconciliation statement. He discovered the following differences between the bank statement and the cash book.

- 1 an amount received from a customer by credit transfer
- 2 bank charges
- 3 unpresented cheques

Which differences will need to be entered in the cash book to update it?

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

- 7 The following information is available for a business.

	\$
trade receivables at 1 January 2018	63 000
provision for doubtful debts at 1 January 2018	1 890
total credit sales for the year	327 000
cash received from credit customers during the year after 4% cash discount	324 000

A provision for doubtful debts of 2% is to be made.

Which amount is recorded in the income statement for the year ended 31 December 2018?

- A** \$570 expense  
**B** \$570 income  
**C** \$840 expense  
**D** \$840 income