

- 2 Shamal maintains a full set of accounting records. He has extracted a trial balance at 30 September 2021 that does not balance and he has opened a suspense account for the difference.

Shamal has now identified the following six errors. There were no other errors.

- 1 A payment of \$169 for motor repairs had been correctly entered in the cash book but had been debited to the motor repairs account as \$196.
- 2 The purchase of new machinery, \$670, had been debited to general expenses.
- 3 Discount allowed of \$175 had been entered correctly in the cash book but had not been posted to the discount allowed account.
- 4 The sales journal was totalled at \$86 961. The total should have been \$86 741.
- 5 A cheque for \$425 received from McCann, a credit customer, had been correctly entered in the cash book but had been debited to the sales ledger control account.
- 6 The total of the discount received column in the cash book, \$490, had been entered twice on the correct side of the discount received account.

### REQUIRED

- (a) Prepare the suspense account at 30 September 2021, clearly identifying the opening balance.

Suspense Account

Details	\$	Details	\$

[6]

- (b) Complete the table to name the type of error in each of the errors 1, 2 and 3 identified by Shamal.

Error	Type of error
1	
2	
3	

[3]

- (c) Explain **two** benefits to a business of preparing a purchases ledger control account.

1 .....

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2 .....

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[4]

- (d) State **two** items that would appear on the credit side of a purchases ledger control account.

1 .....

2 .....

[2]