

- 2 Yasmin is a sole trader. She has prepared a trial balance. Some errors are not revealed by a trial balance.

REQUIRED

(a) Describe **each** of the following errors. Examples are **not** required.

(i) Error of commission

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..... [2]

(ii) Error of original entry

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..... [2]

(iii) Error of principle

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..... [2]

Additional information

When Yasmin prepared a trial balance for her business at the year-end, 31 December 2021, the totals did not agree. The difference was entered in a suspense account.

The following errors were discovered which accounted for the difference.

- 1 Goods for own use, \$430, had been debited to the drawings account but no other entry had been made.
- 2 Returns inwards of \$740 had been credited to the returns outwards account.
- 3 An irrecoverable debt of \$260 had been correctly recorded in the journal and in the account of the customer, but had been posted to the wrong side of the irrecoverable debts account.

REQUIRED

- (b) Prepare the suspense account clearly identifying the original difference in the trial balance totals.

Suspense account

	\$		\$

[5]

Additional information

The business's draft profit before correcting the errors was \$28 750 for the year ended 31 December 2021.

REQUIRED

- (c) Complete the following table to calculate the corrected profit for the year ended 31 December 2021.

	\$
Draft profit	28 750
Error 1	
Error 2	
Error 3	
Corrected profit	

[4]