

**8** The totals of a trial balance did not agree and the following errors were discovered.

- 1 A cheque for \$27 000 for the sale of a non-current asset had been credited to the sales account. The corresponding entry was correct.
- 2 The purchase on credit of a new motor vehicle for \$27 000 had been omitted from the supplier's account. The corresponding entry was correct.
- 3 Entries in the cash book for a transfer from cash to bank for \$27 000 had been reversed.
- 4 The purchases account had been overcast by \$27 000.

Which errors would have led to the trial balance totals being different?

- A** 1 and 2      **B** 1 and 4      **C** 2 and 3      **D** 2 and 4

**9** A suspense account had a balance of \$450 debit.

What caused this balance in the suspense account?

- A** motor expenses of \$225 correctly entered in the cash book and posted to motor expenses as a credit
- B** motor expenses of \$225 entered in the cash book as a receipt and posted to motor expenses as a credit
- C** motor expenses of \$450 correctly entered in the cash book and posted to motor vehicles as a debit
- D** motor expenses of \$675 entered in the cash book as a credit of \$225 and posted to motor expenses as a debit of \$225

**10** What is a benefit of preparing a bank reconciliation?

- A** to identify differences between the cash book and bank statement
- B** to know whether any bank overdraft limit has been reached
- C** to know whether the balance at the bank is a debit or credit
- D** to use the bank statement balance in the statement of financial position

**11** A bank statement shows a credit balance of \$1500.

A payment of \$500 and a receipt of \$1250 were included in the cash book but have not yet appeared on the bank statement.

Bank interest payable of \$1100 had been correctly recorded in the cash book but due to a bank error had been recorded in the bank statement as \$1000.

What is the cash book balance?

- A** \$650      **B** \$850      **C** \$2150      **D** \$3350