

- 8 The bank statement of a business showed a credit balance of \$3421, which did not agree with the balance in the cash book.

Further investigation revealed that a receipt entered in the cash book for \$125 and a payment for \$455 had not yet appeared on the bank statement.

The bank statement showed bank charges of \$64 and a credit transfer of \$177 which had not been entered in the cash book.

Which balance was shown in the cash book **before** making the necessary changes and preparing a reconciliation statement?

- A** \$2978      **B** \$3091      **C** \$3204      **D** \$3421

- 9 Which statements describe the benefits of preparing control accounts?

- 1 assists in detection of fraud
- 2 assists in finding errors of original entry
- 3 assists in finding transposition errors
- 4 assists in preparation of financial statements

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

- 10 A trade payable for \$720 transferred from the purchases ledger has been entered on the wrong side of the sales ledger control account.

The sales ledger control account has a closing balance of \$92 460 before correcting the transfer. An allowance for irrecoverable debts of \$1000 is to be made.

What is the correct balance on the sales ledger control account?

- A** \$90 020      **B** \$91 020      **C** \$91 740      **D** \$92 180