

- 6 A trial balance included a suspense account. The bank balance of \$28 412 had mistakenly been entered as an overdraft and placed on the credit side as \$28 142.

There had also been an addition error and the debit side of the trial balance had been undercast by \$450.

Which entry in the suspense account will correct these errors?

- A credit \$56 104
B debit \$56 104
C credit \$57 004
D debit \$57 004
- 7 Which statement is correct?
- A The balance on the irrecoverable debts account is carried down to the next accounting period.
B The balance on the irrecoverable debts account is treated as an expense in the income statement.
C The balance on the provision for doubtful debts account is calculated before the deduction of irrecoverable debts.
D The balance on the provision for doubtful debts account is not included in a trial balance.
- 8 The following information is available for a business at 31 December 2021.

	\$
general expenses in arrears 1 January	420
general expenses in advance 1 January	240
general expenses in arrears 31 December	720
general expenses in advance 31 December	120

Total amount paid during the year ended 31 December 2021 is \$11 500.

What is the amount to be included in the income statement for general expenses for the year ended 31 December 2021?

- A \$10 240 B \$10 720 C \$11 080 D \$11 920
- 9 When would the year end value of inventory need to be adjusted?
- 1 when inventory has not yet been paid for
2 when selling price has fallen below cost
3 when the owner has recorded taking goods for his own use during the year
- A 1 and 2 B 2 and 3 C 2 only D 3 only