

- 6** A trader prepared a trial balance which did not balance. The difference was posted to a suspense account.

The following errors have now been found.

- 1 The returns inwards account had been overcast by \$90.
- 2 A payment of \$200 for rent had been entered correctly in the cash book but had not been posted to the rent account.

What was the opening balance on the suspense account?

- A** \$110 credit
  - B** \$110 debit
  - C** \$290 credit
  - D** \$290 debit
- 7** How could a credit entry of \$500 in X's account have arisen in the books of account of Y?
- A** X bought goods from Y.
  - B** X returned goods to Y.
  - C** Y made a payment to X.
  - D** Y returned goods to X.
- 8** An invoice for purchases was credited to the purchases account.

How will the balance on the purchases account be corrected?

- A** decrease by the value of the invoice
- B** decrease by twice the value of the invoice
- C** increase by the value of the invoice
- D** increase by twice the value of the invoice