

- 5 Which item is recorded on the credit side of a sales ledger control account?
- A discount received
 - B dishonoured cheques
 - C interest on overdue accounts
 - D set-off of amounts in the purchases ledger
- 6 The bank column of the cash book showed a credit balance of \$2915. This did not agree with the balance shown on the bank statement.

It was then discovered that:

- 1 a bank transfer, \$150, from a customer was not recorded in the cash book
- 2 a cheque, \$450, received from a customer was not recorded on the bank statement
- 3 a cheque, \$530, issued to a supplier was incorrectly recorded in the cash book as \$350 but was correctly recorded by the bank
- 4 bank charge, \$25, was not recorded in the cash book.

When these items were adjusted, the cash book balance agreed with the bank statement balance.

What was the balance shown on the bank statement **before** any adjustments were made?

- A \$2520 debit
 - B \$2520 credit
 - C \$3420 debit
 - D \$3420 credit
- 7 The correction of which error would require an entry in the suspense account?
- A A sales invoice, \$45, was omitted from the sales journal.
 - B Drawings, \$60, were debited in the cash book and were credited to the drawings account.
 - C Vehicle repairs, \$100, were debited to the vehicles at cost account.
 - D Wages, \$150, were correctly recorded in the wages account and debited in the cash book.