

- 8 A trader buys inventory costing \$6000.

He is entitled to trade discount at 10% and cash discount of 5%.

On the same day he discovers that he can only sell the inventory for \$5000.

Which amount should he record as the purchase price of the inventory?

- A** \$5000                      **B** \$5130                      **C** \$5400                      **D** \$6000

- 9 A business is preparing a bank reconciliation and finds the following.

	\$
unpresented cheques	3190
uncredited bankings	1949

The cash book has a debit balance of \$5000.

Which adjustments should be made to the cash book balance to reconcile it to the bank statement?

- A** minus \$3190, minus \$1949  
**B** minus \$3190, plus \$1949  
**C** plus \$3190, minus \$1949  
**D** plus \$3190, plus \$1949

- 10 A company's trial balance includes a suspense account. It was found that the only errors were discounts received of \$240 and discounts allowed of \$312, which had both been entered on the incorrect sides of the respective ledger accounts.

What is the double entry required to clear the suspense account balance?

	account	debit \$	credit \$
<b>A</b>	discounts allowed discounts received suspense	312	240 72
<b>B</b>	discounts allowed discounts received suspense	624	480 144
<b>C</b>	discounts received suspense discounts allowed	240 72	312
<b>D</b>	discounts received suspense discounts allowed	480 144	624