

- 3 Martina has prepared the following sales ledger control account for the month of August 2021. All sales are on credit.

Sales ledger control account for the month of August 2021

	\$		\$
Balance b/d	14 280	Sales returns journal	210
Sales journal	9 540	Bank	11 860
		Discounts received	280
		Balance c/d	11 470
	<u>23 820</u>		<u>23 820</u>
Balance b/d	11 470		

Martina produced a list of all customer account balances at 31 August 2021 totalling \$10 020.

She discovered that the following errors had been made in the records.

- 1 Discounts allowed of \$1190 had been entered in customers' accounts but had not been entered in the control account.
- 2 A credit transfer from a customer of \$420 had been correctly entered in the cash book but had been credited to the customer's account as \$240.
- 3 A credit balance of \$60 on a customer's account had been recorded on the list of balances as a debit balance.
- 4 A contra to the purchases ledger of \$860 had been entered in the customer's sales ledger account but had not been entered in the control account.
- 5 A cheque received from a customer of \$380 had been returned unpaid by the bank. No entries had been made in Martina's books of account in respect of the unpaid cheque.
- 6 Martina had sent a cheque for \$20 to a customer who had overpaid his account. The payment had been correctly processed in both the cash book and the customer's account but had been posted to the purchases ledger control account in error.

REQUIRED

(a) Prepare an adjusted sales ledger control account.

Sales ledger control account

	\$		\$
Balance b/d	11 470		

[6]

(b) Prepare an adjusted list of sales ledger balances to agree with the adjusted sales ledger control account balance in part (a).

	\$
Original total of sales ledger balances	10 020
Adjusted total of sales ledger balances	

[4]

- (c) Explain how the preparation of a sales ledger control account assists in the prevention of fraud.

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- (d) State **three** types of error that will **not** be identified by preparing a sales ledger control account.

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[3]