

- 8 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 \$
A	discounts allowed discounts received suspense	312	240 72
B	discounts allowed discounts received suspense	624	480 144
C	discounts received suspense discounts allowed	240 72	312
D	discounts received suspense discounts allowed	480 144	624

- 9 Which statements describe the benefits of preparing a bank reconciliation statement?

- 1 checks the accuracy of transactions recorded on the bank statement
- 2 ensures that cash in the till agrees with the total of the cash column in the cash book
- 3 eliminates the possibility of fraud by members of staff
- 4 ensures that the trial balance and financial statements contain an up-to-date figure for cash at bank

A 1 and 2 **B** 1, 3 and 4 **C** 1 and 4 only **D** 2 and 3

- 10 A trader's cash book shows a debit balance of \$12 460 at 30 April. Bank charges of \$4500 have **not** been entered in the cash book.

A cheque for \$14 470 received from a credit customer and a cheque for \$1740 paid to a supplier appear in the cash book but **not** on the bank statement.

What is the balance shown on the bank statement at 30 April?

- A** \$4770 credit
B \$4770 debit
C \$20 690 credit
D \$20 690 debit