

- 3 Nibras purchases and sells goods for cash and on credit. Control accounts are used to check the accuracy of the business's purchases and sales ledgers.

The following information is available for January 2022.

- 1 Purchases ledger account balances at 1 January 2022 were:

	\$
Amounts owed to suppliers	23 490
Amount overpaid to one supplier	320

- 2 Totals from the books of prime entry were as follows:

	\$
Cash book	
Cash purchases	18 540
Payments to trade payables	202 950
Discounts received	4 920
Purchases journal	212 480
Returns outwards journal	3 770
General journal	
Contras to sales ledger	810

- 3 There were no overpaid accounts in the purchases ledger at the end of the month.

REQUIRED

- (a) Prepare the purchases ledger control account for January 2022.

Purchases ledger control account

	\$		\$

Additional information

On 31 January 2022 the following information was available concerning trade receivables.

	\$
Balance of the sales ledger control account	25 310
Total of balances in the sales ledger	23 980

The following errors were discovered. When corrected, the total of balances in the sales ledger agreed with the balance of the sales ledger control account.

- 1 An irrecoverable debt of \$540 had been recorded as \$450 in both the general ledger and the customer's sales ledger account.
- 2 The total of the returns inwards journal, \$1390, had been omitted from the sales ledger control account.
- 3 The balance of a customer's account had been understated by \$120.
- 4 A credit note, \$90, issued to a credit customer had been recorded correctly in the sales return journal but posted to the debit side of the customer's account.

REQUIRED

- (b) (i) Calculate the correct balance of the sales ledger control account.

.....

.....

.....

.....

.....

..... [3]

- (ii) Calculate the correct total of balances in the sales ledger.

.....

.....

.....

.....

.....

..... [4]

Additional information

Control accounts do not reveal every type of error.

REQUIRED

(c) State **three** types of error which are not revealed by a control account.

1

2

3

[3]