

- 9 At 1 January 2016 a company had the trade receivables totalling \$45 000. At 31 December 2016 the trade receivables totalled \$32 800 after writing off irrecoverable debts. The company policy is to maintain a provision for doubtful debts of 5%.

On 1 March 2016 the company was owed \$7750 by a customer. The customer could only pay 40% of the debt. The balance was written off as irrecoverable.

What was the net expense in the income statement for the year ended 31 December 2016 for irrecoverable and doubtful debts?

- A \$3010                      B \$4040                      C \$5260                      D \$6290

- 10 At 31 December a business provides the following information.

	\$
balance per the cash book	790 credit
balance per the bank statement	800 debit
unpresented cheques	30

The only other reconciling item between the cash book and the bank statement is bank charges recorded on the bank statement but not in the cash book.

How much are the bank charges?

- A \$10                      B \$20                      C \$30                      D \$40

- 11 Which errors **cannot** be identified by reconciling a sales ledger control account with the sales ledger balances?

- 1 entering an incorrect amount from a customer's invoice into the sales journal
- 2 not recording a discount allowed to a customer into the three column cash book
- 3 posting the value of a dishonoured cheque from the cash book to the credit side of the sales ledger control account
- 4 posting the sales returns journal total to the debit side of the sales ledger control account

- A 1 and 2                      B 1 and 4                      C 2 and 3                      D 3 and 4