

- 9 The correct balance on the purchases ledger control account is \$63 000 but has been entered in the trial balance as \$36 000. The difference on the trial balance has been entered in a suspense account.

Which journal entry corrects this error?

| | account to be debited | \$ | account to be credited | \$ |
|----------|----------------------------------|--------|----------------------------------|--------|
| A | purchases ledger control account | 27 000 | suspense account | 27 000 |
| B | - | | suspense account | 27 000 |
| C | suspense account | 27 000 | - | |
| D | suspense account | 27 000 | purchases ledger control account | 27 000 |

- 10 Who is most likely to use the creditors' ledger?

- A** cashier
- B** credit controller
- C** creditors
- D** purchases controller

- 11 A business sells some of its stock for \$500 on credit to a customer. The stock originally cost \$600.

What is the effect of this transaction on the balance sheet?

| | current assets | owner's capital |
|----------|-------------------|-------------------|
| A | decrease by \$100 | decrease by \$100 |
| B | decrease by \$100 | increase by \$100 |
| C | increase by \$100 | decrease by \$100 |
| D | increase by \$100 | increase by \$100 |

- 12 A company's policy is to depreciate its equipment by 30 % annually using the reducing balance method.

A piece of equipment which was two years old was sold for \$6000 and the profit on sale was \$1590.

What was the cost price of the equipment?

- A** \$7590
- B** \$9000
- C** \$9600
- D** \$11 025