5 Which statement about control accounts is **not** correct?

A Only cash book entries need to be checked to identify errors.

B They help to identify where errors have been made.

C They make the totals of trade receivables and trade payables more easy to obtain.

D They reduce the possibility of fraud.

6 At the end of a financial period, the trial balance of a business did **not** agree and a suspense account was opened.

The following was then discovered.

1 A cheque for $7800 was correctly entered in the customer's account but had been debited in the bank account as $7000.

2 A credit purchase of $2500 had been omitted from the books of account.

3 Discounts received of $9600 had been entered on the debit side of discounts allowed account.

4 The sales account had been overcast by $18 200.

After adjusting these items, the suspense account was cleared.

What was the opening balance of the suspense account?

A $200 credit

B $2700 credit

C $9400 debit

D $19 000 debit

7 Which statements about a bank reconciliation are correct?

1 Cleared cheques are excluded.

2 It locates all errors.

3 It locates any fraud.

4 Uncredited deposits are included.

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