

- 5 The table shows information in a purchases ledger control account at the year-end.

	\$
cash paid to suppliers	36 000
credit purchases	55 000
discount received	7 800
balance carried down (balancing figure)	35 000

What was the credit balance brought down at the beginning of the year?

- A** \$8200      **B** \$23 800      **C** \$46 200      **D** \$61 800

- 6 A sole trader withdraws goods for his own use.

How does this affect his financial statements?

	income statement	statement of financial position
<b>A</b>	decrease closing inventories	decrease drawings
<b>B</b>	decrease cost of goods sold	increase drawings
<b>C</b>	increase cost of goods sold	decrease drawings
<b>D</b>	increase sales revenue	increase drawings

- 7 Which error would affect the balancing of a trial balance?

- A** A payment for rent of \$250 has been debited in the bank account. It has been entered correctly in the rent account.
- B** A purchase invoice for \$259 was entered in the purchases journal.
- C** A sales invoice for \$180 was lost, before it could be entered in the sales journal.
- D** A sales return of \$500 was debited in the customer's account and credited to the purchases returns account.

- 8 Which group would appear only on the credit side of a sales ledger control account?

- A** cash refunds, contra with the purchases ledger control accounts, sales
- B** cash refunds, contra with the purchases ledger control accounts, sales returns
- C** irrecoverable debts written off, cash received, discounts allowed
- D** irrecoverable debts written off, cash refunds, sales