

LESSON PLAN

(1)WEEK: ONE (2)DATE: 5th-9th September 2021 (3)CLASS: S.S.S TWO

(4)SUBJECT: FINANCIAL ACCOUNTING

(5)LESSON TITLE: Corrections of Errors

(6)SUBTITLE (IF ANY): Suspense Account, meaning, types, Errors the Trial balance cannot disclose.

(7)PERIOD: 1st & 2nd (8)DURATION: 80 Minutes

(9) LEARNING OBJECTIVES: By the end of the lesson, the learners should be able to

(1). States Errors that the trial balance will disclose

(2). correct errors with use of proper journal and suspense account.

(10)KEY VOCABULARY WORDS: Error of Omission, Error of Principle, Error of Original entry

etc. (11)RESOURCES & MATERIALS: Simplified and Amplified Financial accounting and book keeping by femi Longe.

(12)BUILDING BACKGROUND/CONNECTION TO PRIOR KNOWLEDGE:

Learners have prior knowledge on issues of shares as a unit of a company capital or equity which are located to individual subscribers.

(13)CONTENT: Errors that do not affect the totals of Debit side and Credit side of a Trial balance from agreement is referred to as errors that do not affect the agreement of the trial balance. The main purpose of the trial balance is to show the arithmetical accuracy of the entries of the Ledgers.

ERRORS THAT DO NOT AFFECT THE AGREEMENT OF THE TRIAL BALANCE.

1. Error of omission: This is an error whereby a transaction is completely omitted from the books of account i.e From the debit and credit sides. Both sides of transactions are omitted e.g. Sales of goods N1,000 to Ayoola has been omitted from the books of account.

2. Error of commission: This error occurs when correct amount entered in a wrong person's account e.g. Sales of goods to Tayo N500 entered in Taye account.

3. Error of original entry: This error occurs when a wrong amount is entered on the debit and credit sides. The original amount transposed and passed through the double entry system. For example, purchase of goods ₦490 from Olu entered in the accounts as ₦940.
4. Error of principle: This is an error whereby transactions are entered in a wrong class of accounts e.g. Payment of ₦60 for motor expenses entered in motor van account.
5. Compensating errors: This occurs when errors of the same amount are posted to the two sides of the ledgers therefore they cancelled out each other. The two sides may be over cast or under cast by the same amount e.g. Sales account is under cast by ₦180 as also is salaries account.
6. Complete reversal of entry: This error occurs when the double entry for a transaction is reversed, resulting in a situation whereby the account that ought to be debited is credited and the account that ought to be credited is debited e.g. A receipt of cash from Okondo ₦230 been entered on the credit of cash account and debit side of Okondo account.
7. Error of duplication: This error occurs when the same transaction is recorded more than once in the books of account e.g. Payment of cash ₦300 to Olu had been entered twice in the two accounts.

PROCEDURES TO BE FOLLOWED WHEN CORRECTING ERRORS

In order to correct errors, the following procedures must be followed

A. Commit these to memory:

Assets account Dr balance

Income account Cr balance

Expenses account Dr balance

Sales account Cr balance

Purchase account Dr balance

Liabilities Account Cr balance

B. Identification of the types errors: The type of error must be known.

C. Identification of the two accounts involved: Two accounts will be affected by the error hence they must be identified.

D. Interpretation of errors in the ledger: For proper understanding the errors must be shown in the ledgers.

E. Preparation of Journal: The errors will be posted to the journals to effect correction.

illustration1: Show the journal entries necessary to correct the following errors

1. Sales of Motor van ₦800 had been entered in the sales account

2. Purchase of goods from Akano ₦720 was completely omitted from the account.
3. Goods of ₦230 returned by Ajayi has been entered in Ajala's account
4. Sales were over cast by ₦950 as also were motor expenses
5. Cash paid to James ₦1,500 was entered on the credit side of his account and debited to cash account.
6. Purchase of goods from Olaiya ₦290 has been entered in the accounts as ₦920.
7. Payment of cash ₦320 to Abiodun has been entered twice in the two accounts.

(14) STRATEGIES & ACTIVITIES:

ACTIVITY I: The teacher uses the chunk and Chew method to explain the error that will not affect the agreement of the Trial Balance

ACTIVITY II: The teacher uses the Divide and Conquer method to foster better understanding among the learners.

ACTIVITY III: The learners are allowed to ask questions and responses to the questions were first given co-learners in the classroom before the teacher consolidates on those responses.

ACTIVITY IV: The Learners are allowed to contribute their quota in the topic and as well discuss on the class work on errors that do not affect the agreement of the Trial balance.

(15) ASSESSMENT (EVALUATION): The learners are asked to journalize questions from the textbook Simplified and Amplified Bookkeeping and financial accounting. Page128

(16) WRAP-UP (CONCLUSION): Trial balance are prepared to test the totals of Debit side and Credit side of the Ledgers arithmetically and then this is not happening, then there's an error(s). However, there are errors that do not affect the agreement of the trial balance.

(17) ASSIGNMENT: _____ 1. List three errors that the Trial balance will not be affected with.

(18) HOD/VP'S COMMENTS & ENDORSEMENT: _____