

- 1 Ayesha is a trader who maintains a full set of accounting records and prepares control accounts at the end of each month.

She provided the following information for the month of August 2021.

	\$
On 1 August	
Sales ledger control account debit balance	9 800
Sales ledger control account credit balance	420
Purchases ledger control account credit balance	7 700
Totals for the month	
Credit sales	88 850
Credit purchases	55 400
Cash purchases	1 860
Receipts from customers	82 100
Payments to credit suppliers	50 600
Discount received	600
Discount allowed	900
Irrecoverable debt written off	300
Provision for doubtful debts	450
Sales returns	2 400
Interest charged to customer on overdue account	90
Contra between sales ledger and purchases ledger	2 920

The sales ledger control account credit balance brought down on 1 September 2021 was \$350.

REQUIRED

- (a) Prepare the sales ledger control account **and** the purchases ledger control account for August 2021.

Balance the accounts and bring down the balances on 1 September 2021.

(b) Name the book of prime entry which Ayesha would use to obtain the following information when preparing her sales ledger control account.

Item	Book of prime entry
Returns	
Discount allowed	
Interest charged to customer on overdue account	
Contra entry	

[4]

(c) Suggest **two** reasons why the sales ledger control account had a credit balance of \$420 on 1 August 2021.

- 1
-
- 2
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[2]

[Total: 20]

Question	Answer	Marks																																																																																																																														
1(a)	<p style="text-align: center;">Ayesha Sales ledger control account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td></td> <td></td> <td>2021</td> <td></td> <td></td> </tr> <tr> <td>Aug 1</td> <td>Balance b/d</td> <td>9 800</td> <td>Aug 1</td> <td>Balance b/d</td> <td>420</td> </tr> <tr> <td>31</td> <td>Sales</td> <td>88 850</td> <td>31</td> <td>Bank</td> <td>(1) 82 100</td> </tr> <tr> <td></td> <td>Interest</td> <td>90</td> <td></td> <td>Discount allowed</td> <td>(1) 900</td> </tr> <tr> <td></td> <td>Balance c/d</td> <td>350</td> <td></td> <td>Irrecoverable debts</td> <td>(1) 300</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Sales returns</td> <td>(1) 2 400</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Contra</td> <td>(1) 2 420</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Balance c/d</td> <td>10 050</td> </tr> <tr> <td></td> <td></td> <td>99 090</td> <td></td> <td></td> <td>99 090</td> </tr> <tr> <td>2021</td> <td></td> <td></td> <td>2021</td> <td></td> <td></td> </tr> <tr> <td>Sep 1</td> <td>Balance b/d</td> <td>(1) 10 050</td> <td>Sep 1</td> <td>Balance b/d</td> <td>(1) 350</td> </tr> </tbody> </table> <p style="text-align: center;">Purchases ledger control account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Details</th> <th>\$</th> <th>Date</th> <th>Details</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td></td> <td></td> <td>2021</td> <td></td> <td></td> </tr> <tr> <td>Aug 31</td> <td>Bank</td> <td>(1) 50 600</td> <td>Aug 1</td> <td>Balance b/d</td> <td>7 700</td> </tr> <tr> <td></td> <td>Discount received</td> <td>(1) 800</td> <td>31</td> <td>Purchases</td> <td>(1) 55 400</td> </tr> <tr> <td></td> <td>Contra</td> <td>(1) 2 420</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>Balance c/d</td> <td>8 980</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>63 100</td> <td></td> <td></td> <td>63 100</td> </tr> <tr> <td></td> <td></td> <td></td> <td>2021</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Sep 1</td> <td>Balance b/d</td> <td>(1) 8 980</td> </tr> </tbody> </table>	Date	Details	\$	Date	Details	\$	2021			2021			Aug 1	Balance b/d	9 800	Aug 1	Balance b/d	420	31	Sales	88 850	31	Bank	(1) 82 100		Interest	90		Discount allowed	(1) 900		Balance c/d	350		Irrecoverable debts	(1) 300					Sales returns	(1) 2 400					Contra	(1) 2 420					Balance c/d	10 050			99 090			99 090	2021			2021			Sep 1	Balance b/d	(1) 10 050	Sep 1	Balance b/d	(1) 350	Date	Details	\$	Date	Details	\$	2021			2021			Aug 31	Bank	(1) 50 600	Aug 1	Balance b/d	7 700		Discount received	(1) 800	31	Purchases	(1) 55 400		Contra	(1) 2 420					Balance c/d	8 980						63 100			63 100				2021						Sep 1	Balance b/d	(1) 8 980	14
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Contra entry	General journal/Journal (1)											
1(c)	<p>Overpayment by credit customer (1) Credit customer returned goods after settling the account (1) Credit customer paid for goods in advance (1) Payment by credit customer before cash discount was deducted (1)</p> <p>Max (2)</p>	2										

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