

- 4 Asia is a trader. She prepared her trial balance at 31 August 2023. The credit side totalled \$273 more than the debit side. Asia placed the difference in a suspense account.

Asia later discovered the following errors.

- 1 A credit purchase, \$112, from Jacques, had been entered twice in the purchases journal.
- 2 The wages account had been overcast by \$300.
- 3 Cash received, \$75, from Savannah, a trade receivable, had only been entered in the cash book.
- 4 The total of the sales returns journal for August 2023 of \$198, had been credited to both the sales returns account and the purchases returns account.
- 5 A payment to Sophie, \$93, had been recorded as \$39 in Sophie's account.

### REQUIRED

- (a) Prepare the journal entries to correct errors 1–5. Narratives are **not** required.



(b) Prepare the suspense account, including the original difference on the trial balance.

Asia  
Suspense account

Date	Details	\$	Date	Details	\$
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

[5]

**REQUIRED**

(c) Complete the following table by placing a tick (✓) to show the effect of each error. The first one has been completed as an example.

Error number	Error	Gross profit		Profit for the year		No effect
		+	-	+	-	
1	A credit purchase, \$112, from Jacques, had been debited twice to the purchases account.		✓		✓	
2	The wages account had been overcast by \$300.					
3	Cash received, \$75 from Savannah, a trade receivable, had only been entered in the cash book.					
4	The total of the sales returns journal for August 2023, \$198, had been credited to both the sales returns account and the purchases returns account.					
5	A payment to Sophie, \$93, had been recorded as \$39 in Sophie's account.					

[4]

[Total: 20]