

- 3 Akil prepared his trial balance at 29 February 2024. The total of the debit side was \$83640 and the total of the credit side was \$84025.

Akil later discovered the following errors.

- 1 The total of the sales journal for January 2024, \$3416, had been credited to the sales returns account.
- 2 A direct debit for insurance, \$115, had been credited to both the bank account and the insurance account.
- 3 Discount allowed, \$47, had been credited to the account for discount received.
- 4 A payment for office equipment, \$52, had been debited to the stationery account.
- 5 The purchases journal for February had been overcast by \$90.

REQUIRED

(a) State

- (i) which business document shows when the direct debit for insurance was paid
..... [1]
- (ii) which of the errors listed in 1 to 5 above is an error of principle
..... [1]

(c) (i) State why a balance may remain on the suspense account after errors 1 to 5 have been corrected.

.....
 [1]

(ii) Prepare the suspense account. Bring down any remaining balance at 1 March 2024.

Akil
Suspense account

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

[5]

Akil's draft profit for the year, before correction of the errors, was \$17 420.

REQUIRED

(d) Calculate Akil's profit **after** items 1 to 5 have been corrected.

.....

 [5]

[Total: 20]

Question	Answer	Marks																
3(a)(i)	Bank statement (1)	1																
3(a)(ii)	Error 4 (1)	1																
3(b)	<p style="text-align: center;">Akil Journal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="481 413 651 512">Error number</th> <th data-bbox="651 413 1447 512">Details</th> <th data-bbox="1447 413 1628 512">Debit \$</th> <th data-bbox="1628 413 1794 512">Credit \$</th> </tr> </thead> <tbody> <tr> <td data-bbox="481 512 651 611">1</td> <td data-bbox="651 512 1447 611">Sales returns Sales</td> <td data-bbox="1447 512 1628 611">3 416 (1)</td> <td data-bbox="1628 512 1794 611">3 416 (1)</td> </tr> <tr> <td data-bbox="481 611 651 710">2</td> <td data-bbox="651 611 1447 710">Insurance (115 × 2) Suspense</td> <td data-bbox="1447 611 1628 710">230 (1)</td> <td data-bbox="1628 611 1794 710">230 (1)</td> </tr> <tr> <td data-bbox="481 710 651 844">3</td> <td data-bbox="651 710 1447 844">Discount received Discount allowed Suspense</td> <td data-bbox="1447 710 1628 844">47 (1) 47 (1)</td> <td data-bbox="1628 710 1794 844">94 (1)</td> </tr> </tbody> </table>	Error number	Details	Debit \$	Credit \$	1	Sales returns Sales	3 416 (1)	3 416 (1)	2	Insurance (115 × 2) Suspense	230 (1)	230 (1)	3	Discount received Discount allowed Suspense	47 (1) 47 (1)	94 (1)	7
Error number	Details	Debit \$	Credit \$															
1	Sales returns Sales	3 416 (1)	3 416 (1)															
2	Insurance (115 × 2) Suspense	230 (1)	230 (1)															
3	Discount received Discount allowed Suspense	47 (1) 47 (1)	94 (1)															
3(c)(i)	Shows that all the errors have not yet been found/corrected (1)	1																

Question	Answer	Marks																																			
3(c)(ii)	<p style="margin: 0;">Akil Suspense account</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 35%;">Details</th> <th style="width: 10%;">\$</th> <th style="width: 15%;">Date</th> <th style="width: 35%;">Details</th> <th style="width: 10%;">\$</th> </tr> </thead> <tbody> <tr> <td>2024 Feb 29</td> <td>Difference on Trial balance (1) Purchases (1)</td> <td style="text-align: right;">385 90</td> <td>2024 Feb 29</td> <td>Insurance (1) Discount received } (1) Discount allowed } Balance c/d</td> <td style="text-align: right;">230 47 47 <u>151</u></td> </tr> <tr> <td>March 1</td> <td>Balance b/d (1)OF</td> <td style="text-align: right;"><u>475</u> 151</td> <td></td> <td></td> <td style="text-align: right;"><u>475</u></td> </tr> </tbody> </table> <p style="margin-top: 10px;">Ignore dates</p>	Date	Details	\$	Date	Details	\$	2024 Feb 29	Difference on Trial balance (1) Purchases (1)	385 90	2024 Feb 29	Insurance (1) Discount received } (1) Discount allowed } Balance c/d	230 47 47 <u>151</u>	March 1	Balance b/d (1)OF	<u>475</u> 151			<u>475</u>	5																	
Date	Details	\$	Date	Details	\$																																
2024 Feb 29	Difference on Trial balance (1) Purchases (1)	385 90	2024 Feb 29	Insurance (1) Discount received } (1) Discount allowed } Balance c/d	230 47 47 <u>151</u>																																
March 1	Balance b/d (1)OF	<u>475</u> 151			<u>475</u>																																
3(d)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">\$ Plus</th> <th style="width: 15%; text-align: center;">\$ Minus</th> <th style="width: 15%; text-align: center;">\$</th> <th style="width: 25%;"></th> </tr> </thead> <tbody> <tr> <td>Original draft profit</td> <td></td> <td></td> <td style="text-align: right;">17 420</td> <td></td> </tr> <tr> <td>Error 4</td> <td style="text-align: right;">52 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Error 5</td> <td style="text-align: right;">90 (1)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Error 2</td> <td></td> <td style="text-align: right;">230 (1)</td> <td></td> <td></td> </tr> <tr> <td>Error 3</td> <td></td> <td style="text-align: right;"><u>94 (1)</u></td> <td></td> <td></td> </tr> <tr> <td>Draft profit after corrections</td> <td style="text-align: right;"><u>142</u></td> <td style="text-align: right;"><u>324</u></td> <td style="text-align: right;"><u>(182)</u></td> <td style="text-align: right;"><u>17 238 (1)OF</u></td> </tr> </tbody> </table>		\$ Plus	\$ Minus	\$		Original draft profit			17 420		Error 4	52 (1)				Error 5	90 (1)				Error 2		230 (1)			Error 3		<u>94 (1)</u>			Draft profit after corrections	<u>142</u>	<u>324</u>	<u>(182)</u>	<u>17 238 (1)OF</u>	5
	\$ Plus	\$ Minus	\$																																		
Original draft profit			17 420																																		
Error 4	52 (1)																																				
Error 5	90 (1)																																				
Error 2		230 (1)																																			
Error 3		<u>94 (1)</u>																																			
Draft profit after corrections	<u>142</u>	<u>324</u>	<u>(182)</u>	<u>17 238 (1)OF</u>																																	