



- 3 Natalie prepared her trial balance at the end of the year 31 March 2024. The totals did not agree and she had to open a suspense account. The debit side of the trial balance was \$357 higher than the credit side.

Natalie later discovered the following errors.

- 1 A bank transfer, \$420, received from a credit customer Sarah had been correctly recorded in the bank but no other entry had been made.
- 2 Natalie contributed a personal vehicle to the business valued at \$7000. This had been debited to the capital account and credited to the vehicle maintenance account.
- 3 Purchases of \$270 had been correctly entered in the suppliers account but had been debited as \$207 in the purchases account.
- 4 No entry had been made for general expenses, \$126, paid by bank transfer.
- 5 Cash drawings of \$200 had been debited to the cash account and credited to the drawings account.

REQUIRED:

- (a) Prepare the journal entries on page 11 required to correct errors 1 to 5. Narratives are **not** required.





Natalie
Journal

Error number	Details	Debit \$	Credit \$
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[10]





(b) Prepare the suspense account at 31 March 2024.

Natalie
Suspense Account

Date	Details	\$	Date	Details	\$
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[3]

(c) Complete the table by identifying the type of errors that occurred in errors 4 and 5.

Error Number	Error type
Error 4	
Error 5	

[2]

(d) Complete the table below by placing a tick (✓) in the appropriate column to indicate the effect on the profit for the year **after** correcting each of the errors.

Error Number	Effect on profit		
	decrease	increase	no effect
Error 1			
Error 2			
Error 3			
Error 4			
Error 5			

[5]

[Total: 20]



Question	Answer				Marks
3(a)	Natalie Journal				10
	Error number	Details	Debit \$	Credit \$	
	1	Suspense Sarah (1)	420	420	
	2	Motor vehicles {(1) Vehicle maintenance { Capital (1)	7 000 7 000	14 000	
	3	Purchases (1) Suspense (1)	63	63	
	4	General expenses (1) Bank (1)	126	126	
	5	Drawings (1) Cash (1)	400	400	

Question	Answer						Marks	
3(b)	Natalie Suspense account						3	
	Date 2024 Mar 31	Details Sarah <div>(1)</div>	\$ 420 <div><u>420</u></div>	Date 2024 Mar 31	Details Difference on trial balance Purchases <div>(1) (1)</div>	\$ 357 <div><u>63</u> <u>420</u></div>		
3(c)	Error Number	Error type					2	
	Error 4	Omission						(1)
	Error 5	Complete reversal						(1)
3(d)	Error Number	Effect on profit					5	
		decrease	increase	no effect				
	Error 1			✓(1)				
	Error 2	✓(1)						
	Error 3	✓(1)						
	Error 4	✓ (1)						
	Error 5			✓(1)				