

**THE TRAINING PLACE OF EXCELLENCE**  
Control accounts, Journals & the Banking system

**Practice Assessment: Answers**

1. (a)

Account name	Amount £	Debit	Credit
Wages expense	114,866	✓	
Wages control	114,866		✓

(b)

Account name	Amount £	Debit	Credit
PAYE/ NI	23,349	✓	
Bank	23,349		✓

(c)

Account name	Amount £	Debit	Credit
Wages control	77,781	✓	
Bank	77,781		✓

2.

Account name	Amount £	Debit	Credit
Irrecoverable debt	450	✓	
VAT	90	✓	
SLCA	540		✓

3. Show which errors below are, or are not, disclosed by the trial balance

Error in the general ledger	Error disclosed by the trial balance	Error NOT disclosed by the trial balance
Recording a BACS payment for repairs on the debit side of rent account.		✓
Recording a payment to a supplier into the individual suppliers purchase ledger account and the cash book.	✓	
Recording a receipt from a customer with the wrong amount into the cash book and the sales ledger control account.		✓
Recording a receipt of £200 from a customer as £2,000 into the relevant accounts.		✓
Recording a cash payment for stationery as a cash receipt for stationery.		✓
Recording a cash payment for stationery in the cash book only.	✓	

Complete reversal of entries- Recording a cash payment for stationery as a cash receipt for stationery

Error of commission- Recording a BACS payment for repairs on the debit side of rent account

4.

Account Name	Amount £	Debit	Credit
Bank	12,969	✓	
Furniture	12,969		✓

(ii)

Account Name	Amount £	Debit	Credit
Furniture	12,696	✓	
Bank	12,696		✓

5.i.

Account Name	Amount £	Debit	Credit
Suspense	10	✓	

ii. Record the journal entry needed in the general ledger to remove the incorrect entry that was made from the cash book.

Account name	Amount £	Debit	Credit
VAT	203		✓

Record the journal entry needed in the general ledger to record the correct entry that should have been made from the cash book.

Account name	Amount £	Debit	Credit
VAT	213	✓	

Record the journal entry needed in the general ledger to remove the suspense account balance arising from the error in the cash-book.

Account name	Amount £	Debit	Credit
Suspense	10		✓

## 6. Stationery

Details	Amount £	Details	Amount £
Suspense	32		

### Suspense

Details	Amount £	Details	Amount £
Purchase returns	1,241	Balance b/f	1,209
		Stationery	32
	1,241		1,241

### Commission received

Details	Amount £	Details	Amount £
Bank interest	2,167		

### Bank interest

Details	Amount £	Details	Amount £
		Commission received	2,167

### Purchases returns

Details	Amount £	Details	Amount £
		Suspense	1,241

7.

Account Name	Amount £	Debit £	Credit £
Capital	3000		3000
Bank	941	968	
Loan from bank	2000		2000
Motor Vehicles	5584	5584	
Purchases	4587	4587	
Opening Inventory	470	470	
Sales returns	105	105	
Stationery	385	385	
VAT owing to HM Revenue and Customs	496		496
Rent	3300	3300	
Sales	15400		15400
Furniture	755	755	
Office equipment	1973	2385	
Sales ledger control	3852	3852	
Discounts received	350		575
Purchases ledger control	1649		1649
Purchases returns	147		147
General expenses	876	876	
Suspense account (debit balance)	214		
<b>Totals</b>	<b>43084</b>	<b>23267</b>	<b>23267</b>

### 8. Cash book

Date 20XX	Details	Bank £	Date 20XX	Cheque Number	Details	Bank £
02 Aug	Cheque 100211	3,722	01 Aug		Balance b/f	3,965
15 Aug	Adim & Adim	3,715	03 Aug	00038	James Go	1,102
21 Aug	Luxy Bell	2,040	04 Aug	00039	Easy does it Ltd	997
27 Aug	Martin & Martin	2,482	04 Aug	00040	Natel Services	1,247
29 Aug	Ostello & Co	1,400	24 Aug		EDF Energy	471
28 Aug	FisHet Ltd	1,417	16 Aug		Jeffrey Sons	511
			31 Aug		Bank Interest	62
			31 Aug		Balance c/f	6,421
		<u>14,776</u>				<u>14,776</u>
1 Sept	Balance b/f	6,421				

### Bank reconciliation statement as at 31 August 20XX

Balance per bank statement	£3,536
Add:	
Name: Martin & Martin	£2,482
Name: Ostello & Co	£1,400
Total to add	£3,882
Less:	
Name: Easy does it Ltd	£997
Total to subtract	£997
Balance per cashbook	£6,421

9. Sales ledger control account

	Amount £	Debit	Credit
Balance owing from credit customers at 1 July	60,285	✓	
Bad debt written off	1,487		✓
Money received from credit customers	59,413		✓
Sales returns	2,100		✓
Goods sold to credit customers	36,466	✓	
Discounts allowed	1,050		✓

ii. Purchases ledger control account

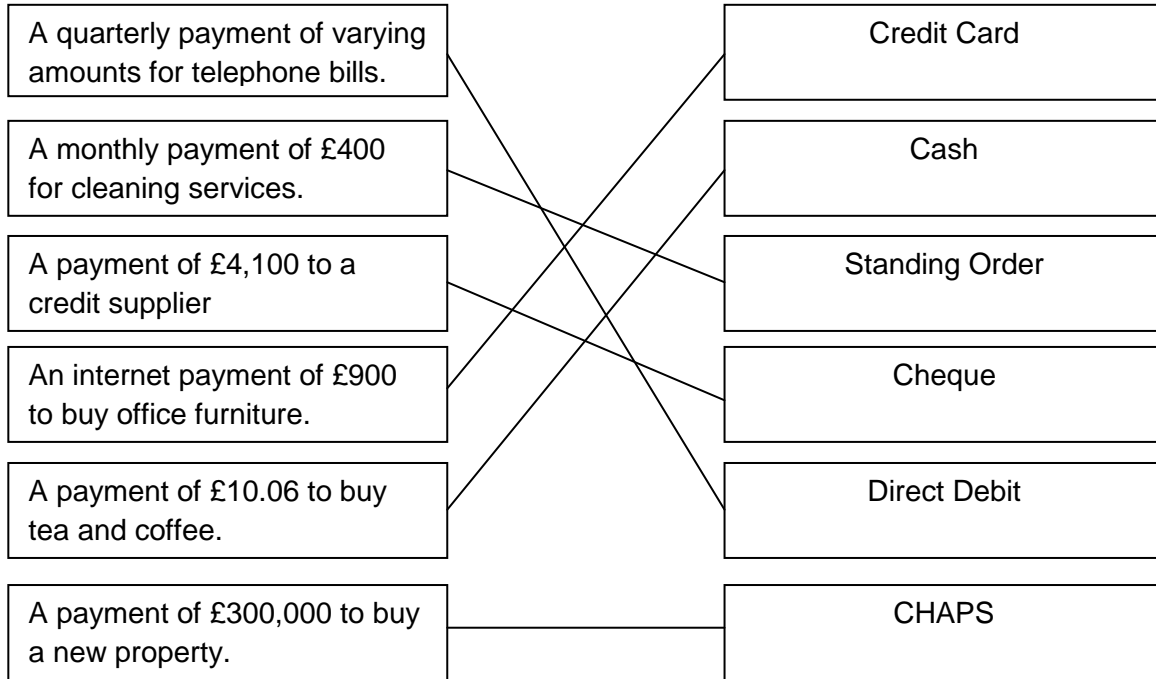
	Amount £	Debit	Credit
Balance owing to credit suppliers at 1 July	40,080		✓
Discount received	1,804	✓	
Payment to credit suppliers	42,540	✓	
Goods returned to credit suppliers	1,940	✓	
Purchases from credit suppliers	39,871		✓

iii. What should be the balance of the sales ledger control account in order for it to reconcile with the total of the balances in the sales ledger? £11,752

10.		VAT	
Bal b/d	12,804	Credit Sales	21,257
Purchases	11,450	Bank	12,000
Cash payments	411	Cash sales	4,206
Sales returns	1,762	Sale of equipment	109
Irrecoverable debts	2,144	Other sales	4,186
Expenses	3,105	Purchase returns	2,040
Bal c/d	12,122		
	<u>43,798</u>		<u>43,798</u>
		Bal b/d	12,122

b. The VAT return shows there is an amount owing to HM Revenue and Customs of £12,222. Does the balance on the VAT control account in part (a) also show that £12,222 is owing to HM Revenue and Customs? Yes or **No**

## 11. Transactions



Show whether the following statements are true or false.

Statements	True	False
Purchases made using a debit card will leave the payers bank account immediately.	✓	
The clearing system may result in banked funds not being available to be withdrawn by the payee.	✓	
Before accepting a payment by cheque from a new customer, you should ask the bank if there are sufficient funds in the customer's bank account.		✓