

Aastha A Commerce Academy, Sukh Sagar, Street of Chokrika Bhawan Bajaj Road, SIKAR, 8058352760

4. (a) The Trial Balance of ABC Ltd, as on Dec 31, 2002 did not agree. The difference was put to a Suspense Account. During the next trading period, the following were discovered:

- (i) The total of the Sales-book of one page Rs. 6,531 was carried forward to the next pages Rs. 6,351.
- (ii) Goods returned by a customer for Rs. 1,200, but entered in Purchases Return Book.
- (iii) Personal Car Expenses amounting to Rs. 250 were debited to Trade Expenses.
- (iv) Sales Return Book was undercast by Rs. 2,750.
- (v) Rs. 50 discount allowed by a supplier, was wrongly posted to debit side of Discount Account.
- (vi) An item of purchases of Rs. 151 was entered in Purchases Book as Rs. 15 and posted to Supplier's account as Rs. 51.

You are required to give journal entries to rectify the errors through Profit & Loss Adjustment A/c in a way so as to show the current year's profit or loss correctly. **(10 marks)**



Date : 11/06/2019

Foundation Nov.2019

Marks : 40

Test Paper : Accounts

1. The accountant of X prepared the Trial Balance for the year ended 31st March, 1996. But there was a difference and the accountant put the difference in Suspense Account.

Rectify the Following errors found and prepare the Suspense Account:

- (i) The total of the Returns outward book, Rs. 420 has not been posted to the ledger.
- (ii) A purchase of Rs. 350 from Y has been entered in the sales book. However Y's account has been correctly entered.
- (iii) A sale of Rs. 390 to Z has been credited to his account as Rs. 290.
- (iv) Old furniture sold for Rs. 5,400 had been entered as Rs. 4,500 in sales account.
- (v) Goods taken by proprietor, Rs. 500 have not been entered in the books at all. (10 marks)

2. (a) On 31st March 2001, a book-keeper finds the difference in the Trial Balance and he puts it in the Suspense Account. Later on he detects the following errors:

- (i) Rs. 50,000 received from A was posted to the debit of his account.
- (ii) Rs. 20,000 being purchases returns were posted to the debit of Purchases Account.
- (iii) Discount of Rs. 8,000 received were posted to the debit of Discount Account.
- (iv) Rs. 9,060 paid for repairs of Motor Car was debited to Motor Car Account as Rs. 7,060.
- (v) Rs. 40,000 paid to B was debited to A's Account.

Give Journal Entries to rectify the above errors and ascertain the amount transferred to Suspense Account, assuming that the Suspense Account is balanced after the above corrections. (10 marks)

3. (a) There was an error in the Trial Balance of Mr. Steel on 31st March, 2002, and the difference in Books was carried to a Suspense Account. On going through the Books you find that:

- (i) Rs. 5,400 received from Mr. A was posted to the debit of his account.
- (ii) Rs. 1,000 being purchases return were posted to the debit of purchases Account.
- (iii) Discount received Rs. 2,000 was posted to the debit of Discount Account.
- (iv) Rs. 2,740 paid for Repairs to Motor Car was debited to Motor Car Account as Rs. 1,740.
- (v) Rs. 4,000 paid to B was debited to A's Account.

Give Journal Entries to rectify the above error and ascertain the amount transferred to Suspense Account on 31st March, 2002 by showing the Suspense Account, assuming that the Suspense Account is balanced after the above corrections. (10 marks)