

CONTROL ACCOUNTS

1 A firm has received the following business documents from X, a supplier.

		\$
October 5	invoice	650
October 10	invoice	120
October 12	credit note	150
October 22	invoice	230
November 4	invoice	790

There was no opening balance on X's account and the firm made no payments to X during October.

What was the balance on the supplier's statement of account at 31 October?

A \$850 B \$1150 C \$1640 D \$1940

2 Ben, a trader, started purchasing goods on credit from David on 1 March.

Transactions during March were as follows.

	\$
Purchases	1600
Cash paid	1200
Purchases returns	90
Discount received	18

What is the closing balance of David's account in the books of Ben?

A \$292 credit B \$328 credit C \$472 credit D \$508 credit

3 A business prepares control accounts.

How are discounts allowed shown?

- A credit purchases ledger control account
- B credit sales ledger control account
- C debit purchases ledger control account
- D debit sales ledger control account

4 Which would not appear in a sales ledger control account?

- A bad debts written off
- B cash sales
- C receivable's cheque dishonoured
- D returns inwards

5 A Sales Ledger Control account shows the following.

	\$
Opening debit balance	2 000
Sales	10 000
Receipts from customers	8 000
Returns inwards	100
Discounts allowed	200

What is the closing balance?

- A \$3700 B \$3900 C \$4100 D \$4300

6 What is found in a Purchases Ledger Control account?

- A contra entries to sales ledger accounts
- B debts written off as bad
- C discounts allowed for prompt payment
- D returns inwards of damaged goods

7 The following information relates to a business's trade payables for one financial year.

	\$
amount owing to trade payables at start of year	22 000
purchases on credit	5 000
returns outwards	1 000
payments made to trade payables	16 000

What is the amount owing to the trade payables at the end of the year?

- A \$5000 B \$10 000 C \$11 000 D \$12 000

8 Sam's purchases ledger control account had an opening debit balance.

What does this balance represent?

- A amount owed to suppliers
- B cash purchases
- C interest on overdue account
- D overpayment to suppliers

9 The following account appears in the ledger of Chan.

Fu account			
2015	\$	2015	\$
Aug 28 bank	100	Aug 1 balance b/d	100
31 balance c/d	<u>250</u>	12 purchases	<u>250</u>
	<u>350</u>		<u>350</u>

Which statement is correct?

- A On 1 August Chan is owed \$100 by Fu.
 - B On 12 August Fu purchased goods, \$250, from Chan.
 - C On 28 August Chan paid Fu \$100 by cheque.
 - D On 31 August Fu is a debtor of Chan for \$250.
- 10 Henri has charged Thi interest on his overdue account. Where does this interest appear in Thi's control accounts?
- A on the credit side of the purchases ledger control account
 - B on the credit side of the sales ledger control account
 - C on the debit side of the purchases ledger control account
 - D on the debit side of the sales ledger control account
- 11 What is the purpose of preparing a sales ledger control account?
- A to calculate the total credit sales for the period
 - B to correct any errors in the sales ledger
 - C to prove the arithmetical accuracy of the sales account
 - D to prove the arithmetical accuracy of the sales ledger accounts
- 12 A purchases ledger control account contains discounts received. Which book of prime (original) entry provides this information?
- A cash book
 - B general journal
 - C purchases journal
 - D purchases returns journal

13 A trader provided the following information.

		\$
Feb 1	sales ledger control account balance	6 320 dr
28	sales journal total	51 200
	sales returns journal total	1 024
	cash received from credit customers	830
	cheques received from credit customers	50 340
	discount allowed	670

What was the balance on the sales ledger control account on 28 February?

- A \$4656 B \$5326 C \$5486 D \$7180

14 The following account appeared in the books of Abdul.

		Hanif account		
		Debit	Credit	Balance
		\$	\$	\$
2015				
March 1	Balance		400	400 Cr
4	Purchases		250	650 Cr
18	Returns	100		550 Cr
31	Bank	392		158 Cr
	Discount	8		150 Cr

Which statement is correct?

- A On 1 March Abdul owed Hanif \$400.
 B On 4 March Hanif purchased goods, \$250, from Abdul.
 C On 31 March Abdul allowed Hanif \$8 trade discount.
 D On 31 March Hanif owed Abdul \$150.

15 Carla is preparing her sales ledger control account.
 Where will she obtain information about contra entries?

- A cash book
 B general journal
 C purchases ledger
 D sales ledger

16 Why does a trader prepare a sales ledger control account?

- A to determine when interest should be charged on overdue accounts
- B to identify bad debts which should be written off
- C to locate incorrect postings in the sales ledger
- D to obtain totals to enter in the books of prime (original) entry

17 Tahir is preparing his purchases ledger control account.

From which book of prime (original) entry will he obtain information about contra entries?

- A cash book
- B general journal
- C purchases journal
- D sales journal