

Control Accounts - 2

1 Which would be included in a sales ledger control account?

- A cash discount allowed
- B interest charged by creditors
- C purchase returns
- D trade discount received

2 Peter is a customer of Paul. On 1 May Peter owed Paul \$250.

Transactions during May were as follows.

	\$
sales	1470
discount allowed	20
cheques received	930
sales returns	80

What was the debit balance on Peter's account in the books of Paul on 1 June?

- A \$440 B \$460 C \$690 D \$710

3 A trader prepares control accounts.

Where will discount received be entered?

- A in the purchases ledger control account as a credit entry
- B in the purchases ledger control account as a debit entry
- C in the sales ledger control account as a credit entry
- D in the sales ledger control account as a debit entry

4 The following balances were extracted from Majid's purchases and sales ledgers.

Walid account	\$1500 debit
Xian account	\$1700 debit
Yu account	\$2300 credit
Zaid account	\$2700 credit

How much does Majid owe?

- A \$1800 B \$3200 C \$5000 D \$8200

5 Which is recorded on the credit side of a purchases ledger control account?

- A cheques paid
- B credit purchases
- C discounts received
- D returns outwards

6 The debit balance on the sales ledger control account on 1 August was \$8260.

The total of the sales journal on 31 August was \$26 840 and the total of the sales returns journal \$1220. The cash book for August showed receipts from credit customers of \$22 000.

What was the balance on the sales ledger control account on 31 August?

- A \$2200 B \$4640 C \$11 880 D \$14 320

7 Why is a sales ledger control account usually prepared by a more senior member of staff than the person who maintains the sales ledger?

- A to deter fraud
- B to locate errors
- C to provide an instant total of trade receivables
- D to speed production of financial statements

8 There is a credit balance of \$100 on Yasmin's account in Shula's purchases ledger.

What does this mean?

- A Shula owes \$100 to Yasmin
- B Shula has returned goods, \$100, to Yasmin
- C Yasmin has paid \$100 to Shula
- D Yasmin owes \$100 to Shula

9 Which group of items appear in a purchases ledger control account?

- A bad debts, receipts from credit customers, returns outwards
- B credit purchases, discount allowed, returns inwards
- C credit purchases, payments to credit suppliers, returns outwards
- D discount received, payments to credit suppliers, returns inwards

10 Which total is shown by the closing balance on a purchases ledger control account?

- A cash purchases
- B credit purchases
- C trade payables
- D trade receivables