## QUESTION 1 – Rectification of Errors (1105)

On 1 January 2017 J. Lang's trail balance will not agree, the debit total is Rs.4,100 less than credit total. The difference is placed in a suspense Account. Subsequently, the following errors were discovered:

(a) The purchases book was under totaled by Rs.10,000.
(b) Goods sold to M. Lane at Rs.1,800 were included in the sales Account but not posted to Lane's account.
(c) Discount received from P. Jason of Rs.1,300 was entered in the Discount Received Account but omitted from Jason's account.
(d) A typewriter bought for Rs.700 for use in the office was posted to the Purchase Account.
(e) Goods bought on credit from A. Flynn at Rs.4,500 were debited to his account.

**Required:**

(a) Show the journal entries to correct these errors.
(b) Show the suspense Account after the corrections have been completed.

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## ANSWER 1 – Rectification of Errors (1105)

| Rectifying | | | |
|---|---|---|---|
| **(a)** Purchases | | 10,000 | |
| Suspense | | | 10,000 |
| **(b)** Debtor-M.Lane | | 1,800 | |
| Suspense | | | 1,800 |
| **(c)** Creditor-P Jason | | 1,300 | |
| Suspense | | | 1,300 |
| **(d)** Typewriter | | 700 | |
| Purchases | | | 700 |
| **(e)** Suspense | | 9,000 | |
| Creditor A Flyn | | | 9,000 |

**Suspense Account**

| | | | |
|---|---|---|---|
| Difference in trail | 4,100 | Purchases | 10,000 |
| Creditor A Flyn | 9,000 | Debtor-M.Lane | 1,800 |
| | | Creditor- P Jason | 1,300 |
| | 13,100 | | 13,100 |

| Had the error not occurred! | | | Erroneous entry | | |
|---|---|---|---|---|---|
| Debtor-M.Lane | 1,800 | | | | |
| Sales | | 1,800 | Sales | | 1,800 |
| Creditor-P Jason | 1,300 | | | | |
| Discount rec. | | 1,300 | Discount rec. | | 1,300 |
| Typewriter | 700 | | Purchases | 700 | |
| Cash | | 700 | Cash | | 700 |
| Purchases | 4,500 | | Purchases | 4,500 | |
| Creditor A Flyn | | 4,500 | Creditor A Flyn | 4,500 | |

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