Question bank

June 2016 first edition

(1) Question bank (June 2016 edition), Q2.4 (p.17)

In the question, the requirement 'The correct bank balance at 31 December is' should be replaced with 'The correct cash book balance as at 31 December is:'

The correct cash book balance at 31 December is

The **correct bank balance** at 31 December is:

	✓
£714 overdrawn	
£657 overdrawn	
£473 overdrawn	
£530 overdrawn	

(2) Question bank (June 2016 edition). Answer to Q2.4 (p.79)

In the solution, the '+' signed should be replaced with '-' sign.
Then, the first working will read £(565) o/d **-** £92 dishonoured cheque = £(657) o/d

Task 2.4

(a) The correct answers are: Outstanding lodgements and Unpresented cheques. The other two items are amended in the cash book.

(b) The correct answer is: £657 overdrawn

Working: " - "   **Change to minus**

£(565) o/d **+** £92 dishonoured cheque = £(657) o/d.

The £57 will not yet have affected the bank account as not been presented at bank yet, hence it does not affect the bank balance as at 31 December.

(c) The correct answer is: £6,450 overdrawn

Workings:

	£	£
Balance b/f		5,675
Reversal – Standing order entered twice	125	

(3) Question bank (June 2016 edition) Answer to 4.4 (p.89)

The first answer should be ticked (as well as the final answer being ticked).

Therefore, it will read:

(c)

Reasons		Explanation
A cash receipt was incorrectly entered onto the customer's account in the sales ledger	✓	As the sales ledger is lower than the sales ledger control account, it is possible that a cash receipt was incorrectly entered onto the customer account.
A sales invoice has been duplicated in the sales ledger	☐	This would increase the sales ledger, so that the sales ledger would be GREATER than the sales ledger control.
A sales return credit note has only been recorded in the sales ledger control account	☐	This would increase the sales ledger, so that the sales ledger would be GREATER than the sales ledger control.
Discounts have been posted twice in the customer's sales ledger account	✓	As the sales ledger is lower than the sales ledger control account, it is possible that discounts have been duplicated on the customer account.

(4) Question bank (June 2016 edition) Practice Assessment 1 (task 5, part c). Pages 149 (question) & p.167 (answer)

The question wording (and subsequent answer) need to include the word 'control' as shown in the diagram below. It should read
"Discounts allowed were entered in the sales ledger control account only" on the second line in the table.
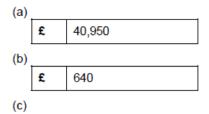
Discounts allowed were entered in the sales ledger control account

(c) Which TWO of the reasons below could explain the difference you calculated in (b). Tick the relevant options in the table below?

Reasons	✓
Goods returned may have been entered in the customer's account in the sales ledger twice	
Discounts allowed were entered in the sales ledger account only	
Goods returned were omitted from the sales ledger control account.	
Goods sold were entered twice in a customer's account in the sales ledger.	
A cheque received was entered in the sales ledger control account twice	

And the answer:-

Task 5

(a)

£	40,950

(b)

£	640

(c)

Reasons	✔
Goods returned may have been entered in the customer's account in the sales ledger twice	✔
Discounts allowed were entered in the sales ledger account only	
Goods returned were omitted from the sales ledger control account.	✔
Goods sold were entered twice in a customer's account in the sales ledger.	
A cheque received was entered in the sales ledger control account twice	