

#### 4. Creditors Control Account

The Creditors Ledger Control Account of B. Ryan showed the following balances – £41,228 cr and £466 dr on 31/12/1999. These figures did not agree with the Schedule (List) of Creditors' Balances extracted on the same date. An examination of the books revealed the following:

- (i) A creditor had charged Ryan interest amounting to £74 on an overdue account. The only entry in the books for this interest had been £47 debited to the creditor's account. After a protest, the interest was reduced to £20 but this reduction had not been reflected in the accounts.
- (ii) Discount disallowed £18 by a supplier had been omitted from the books.
- (iii) A credit note was received from a supplier for £65. The only entry made in the books was £650 credited to the supplier's personal account.
- (iv) Cash purchases by Ryan of £350 had been debited to a supplier's account.
- (v) Ryan had received an invoice from a supplier for £660. This had been entered in the appropriate day-book as £606. However, when posting from this book to the ledger, no entry had been made in the personal account.
- (vi) Ryan had returned goods £210 to a supplier and entered this correctly in the books. However, a credit note arrived showing a deduction of 10% for a restocking charge. The total amount of this credit note was credited to the creditor's account. In relation to the credit note no other entry was made in the books.

**You are required to prepare:**

- (a) Adjusted Creditors Ledger Control Account. (30)
- (b) Adjusted Schedule of Creditors showing the original balance. (30)

**(60 marks)**