

Question 2 - solution

(a)

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Adjusted Creditors Control Account

	€		€
Balance b/d	772 2	Balance b/d	62,125 1
Credit note (ii)	277 5	Interest (iii)	45 5
Balance c/d	62,281	Restocking charge (v)	48 5
		Discount Disallowed (vi)	340 5
		Balance c/d	<u>772</u> 1
	<u>63,330</u>		<u>63,330</u>
Balance b/d	772	Balance b/d	62,281

(b)

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Schedule of Creditors Account Balances

		€
Balance as per List of Creditors		60,067 1
Add Invoice (i)	960 5	
Interest (iii)	70 6	
Cash Purchases (iv)	760 3	
Discount disallowed (vi)	<u>340</u> 5	
		<u>2,130</u>
		62,197
Less: Credit note (ii)	304 3	
Credit note (v)	<u>384</u> 6	(688)
Net balance as per adjusted creditors control account		<u>61,509</u> 1

(c)

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To check accuracy of figures related to creditors by comparing balance in control account with Balance in the list of creditors
To locate errors quickly and to narrow searching for errors to confined areas