

Question 2 - solution

22

Adjusted Debtors Ledger Control Account

	€		€
Balance b/d	30,000 [1]	Balance b/d	530 [1]
Discount disallowed (i)	92 [3]	Interest (ii)	70 [4]
Restocking charge (vi)	12 [4]	Credit note (iv)	520 [4]
Balance c/d	530 [1]	Sales overstated (v)	90 [4]
		Balance c/d	29,424
	<u>30,634</u>		<u>30,634</u>
Balance b/d	29,424	Balance b/d	530

30

Schedule of Debtors Accounts Balances

		€	€
Balance as per list of debtors			24,734 [4]
<u>Add</u>			
Sales – cash and credit error	(iii)	3,240 [5]	
Sales	(v)	1,560 [5]	4,800
			<u>29,534</u>
<u>Deduct</u>			
Interest	(ii)	50 [5]	
Credit note	(iv)	572 [5]	
Reduction in charge	(vi)	18 [5]	640
Net Balance as per adjusted Control Account			<u>28,894 [1]</u>

8

(c)

(i) **Contra Item [5]**

A contra item is an offset of a debtor against a creditor where debtor and creditor are the same person

(ii) **Opening Balance €530 [3]**

- A full payment of a debt followed by a credit note (returns or reduction)
- Over payment of a debt
- Full payment followed by discount