

## Question 4

(a)

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### Adjusted Creditors Control Account

	€		€
Balance b/d	490 [2]	Balance b/d	63,552 [1]
Credit Note (vi)	313 [4]	Discount disallowed (ii)	330 [4]
Balance c/d	63,819	Interest (iii)	50 [4]
		Purchases (iv)	180 [4]
		Restocking charge (v)	20 [4]
		Balance c/d	490 [1]
	<u>64,622</u>		<u>64,622</u>
Balance b/d	490	Balance b/d	63,819

(b)

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### Schedule of Creditors Accounts Balances

		€	€
Balance as per list of Creditors			61,892 [4]
<b>Add</b>			
Cash Purchases	(i)	890 [3]	
Discount disallowed	(ii)	330 [4]	
Interest	(iii)	61 [4]	
Invoice	(iv)	860 [4]	2,141
			64,033
<b>Deduct</b>			
Credit Note adjustment	(v)	360 [4]	
Credit Note	(vi)	344 [4]	(704)
Net Balance as per adjusted Control Account			<u>63,329</u> [1]

(c)

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(i) **Contra Item** [4]

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

(ii) **Opening Balance €490 could arise as a result of:** [4]

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