



FINANCIAL ACCOUNTING

LEVEL 4

MODULE 2

TOPIC: CONTROL ACCOUNTS

Question 1

1. The following information from was taken from the financial records of BB Stores. The business did not keep full records of the transaction. The following information is available at the end of the financial year, 28 February 2015:

Debtors	01-03-2014	50 625
	28-02-2015	57 250
Creditors	01-03-2014	19 500
	28-02-2015	27 875
Payments to creditors and cash purchases		183 500
Payments by debtors and cash sales		322 875
Returns by debtors		26 750
Returns to creditors		44 625
Discount allowed to debtors		1 750
Discount received from creditors		5 250

ADDITIONAL INFORMATION:

A debtor who owed R5 200 was declared insolvent. His estate paid 35% of his debt, and this has been added to payments by debtors. The remaining balance must be written off as a bad debt.

REQUIRED:

Show the following in the general ledger of BB Stores for the year ended 28 February 2015:

- 1.1 Debtors control (8)
1.2 Creditors control (6)
2. The following two errors occurred in the journals of a retailer who make use of the periodic stool method. The errors where discovered after the journals have been closed off and posted to the ledger.
- 2.1 The total of an invoice for merchandise bought on credit from Sam and Co was R800; the correct total is R700. (3)
2.2 The wages column in the cash payments journal was added incorrectly as R400 instead of R450 and posted to the wages accounts such. (2)

REQUIRED:



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Correct these errors by means of general journal entries. Narrations are not required.

(19)