

# Henried

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## F3 CASE 5- EDWARD

Edward Co has made his usual mess of things and produces the following attempt at a trial balance for the year ended 30 April 20X7.

	\$	\$
Property, plant and equipment		
At cost	60,000	
Accumulated depreciation		31,000
Capital- 1 May 20X6		53,000
Profit for the year		12,300
Inventory, at cost	14,000	
Receivables ledger control account	9,600	
Payables ledger control account		6,500
Balance at bank	<u>1,640</u>	<u>          </u>
	<u>85,240</u>	<u>102,800</u>

As chief accountant you discover the following:

- (1) A rent payment of \$350 in March 20X7 had been debited in the receivables ledger control account.
- (2) Discounts allowed of \$500 during the year ended 30 April 20X7 had not been recorded in the books.



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- (3) No entry had been made for the refund of \$2,620 made by cheque to V Woolf in March 20X7, in respect of defective goods returned to Edward. V Woolf, who had already paid for the goods, returned them on 28 February 20X7.
- (4) The total column of the cash receipts book had been overcast by \$1,900 in March 20X7.
- (5) The purchase of stationery for \$1,460 cash in June 20X6 has been correctly entered in the cash account, but no entry has been made to the appropriate expense account.
- (6) Capital of \$35,000 was recorded in correctly as \$53,000.

