Question 2

Note: In the case of candidates taking the Irish version of the paper:

Where a candidate prepares a Debtors Control Account as a result of the translation error in Section 1, Question 2, part (a) of the Irish version of the paper, allow allocated marks for candidate's response to this part of the question where the correct figure or part of the correct computation is applied.

(a) **24**

Adjusted Creditors Control Account

Balance b/d		630 [1]	Balance b/d		17,550 [2]
Invoice	(i)	60 [4]	Interest (iii)		50 [4]
Credit Note	(ii)	120 [4]	Discount disallowed (vi)		64 [4]
Credit Note (v)		79 [4]	Balance c/d		630 [1]
Balance c/d		17,405			
		18,294			18,294
Balance b/d		630	Balance b/d		17,405

(b) **30**

Schedule of Creditors Accounts Balances

			€	€
Balance as per list of debtors				16,190 [1]
Add Invoice	(i)		510 [5]	
Discount disallowed	(vi)		64 [5]	
Cash purchases	(iv)		140 [5]	
Restocking charge	(v)		110 [5]	824
				17,014
Deduct Credit note adjustment	(ii)		222 [4]	
Interest	(iii)		17 [4]	239
Net Balance as per adjusted Control Account				16,775 [1]

(c) **6**

1. They act as a check on the accuracy of the ledgers by comparing the balance of the control account with the total as per the schedule.
2. Errors can be found more speedily using Control Accounts.
3. They are useful when a firm needs to find credit sales or credit purchases from incomplete records.
4. They allow amounts owed by Debtors and amounts owed to creditors to be ascertained quickly by simply balancing the control accounts.