

## 2. Debtors Control Account

(60)

- (a) Prepare the Adjusted Debtors Ledger Control Account. (24)

Adjusted Debtors Ledger Control Account					
Date	Details	€	Date	Details	€
	Balance b/d	••26,400 (2)		Balance b/d	••700 (1)
	Discount Disallowed (2) (i)	160 (2)		Sales Returns (2) (iv)	75 (2)
	Interest (2) (ii)	10 (2)			
	Sales Understated (2) (v)	180 (2)			
	Bad Debt Recoverable (2) (vi)	105 (2)			
	Balance c/d	700 (1)		Balance c/d	26,780
		27,555			27,555
	Balance b/d	26,780		Balance b/d	••700

- Accept correct figure only.
- Allow 2m for correct word(s) even if figure is incorrect or omitted.

- (b) Prepare the Adjusted Schedule of Debtors showing the original balance. (28)

Adjusted Schedule of Debtors			
		€	€
	Balance as per list of Debtors [€26,195 – €5,645]		••20,530 (3)
<u>Add</u>	Discount Disallowed (2) (i)	440 (2)	
	Interest on Account (2) (ii)	200 (2)	
	Sales - Cash and Credit (2) (iii)	3,280 (2)	
	Invoice (2) (v)	1,640 (2)	
	Bad Debt Recoverable (2) (vi)	105 (2)	5,665
			26,195
<u>Less</u>	Credit Note (2) (iv)		(115) (2)
	Net balance as per adjusted Control Account		••26,080 (1)

- Allow full marks for student's own figure, but must be '-700'.
- Accept correct figure only.
- Allow 2m for correct word(s) even if figure is incorrect or omitted.

- (c) (i) Explain the importance of Control Accounts. (4)

Any 2: (2 × 2)

- to check on the accuracy of ledgers / figures related to creditors / debtors (1) by comparing the balance in the control account with the balance in the schedule (1) //
- to locate errors quickly (1) and to narrow search for errors to confined areas (1) //
- to find credit sales or credit purchases (1) from incomplete records (1) //
- to find amounts owed by debtors and amounts owed to creditors (1) to be ascertained quickly by simply balancing the control account (1)

- \*\* Accept other appropriate material.
- \*\* Figures in brackets show breakdown of marks if answer incomplete.

- (ii) Give **two** reasons why the balance in the Debtors Control Account may not agree with the balance in the Schedule of Debtors. (4)

Any 2: (2 × 2)

- error(s) either in the control account or in the schedule (1) but not in the other (1) //
- failure to complete double entries (1) in the ledgers (1) //
- incorrect totalling of subsidiary books (1) sent to control account (1) // etc.

- \*\* Accept other appropriate answers.
- \*\* Figures in brackets show breakdown of marks if answer incomplete.