

## 2. Creditors Control Account

(60)

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

Adjusted Creditors' Ledger Control Account					
Date	Details	€	Date	Details	€
	Balance b/d	••396 (2)		Balance b/d	••52,455 (1)
	Credit Note (1) (iv)	424 (3)		Disc. Disallowed (1) (i)	300 (3)
				Interest (1) (ii)	70 (3)
				Purchases (1) (v)	360 (3)
				Restocking Charge (1) (vi)	25 (3)
	Balance c/d	52,786		Balance c/d	••396 (1)
		53,606			53,606
	Balance b/d	396		Balance b/d	52,786

•• Accept correct figure only.

▪ Allow 1 mark for correct word(s) even if figure is incorrect or omitted.

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

Adjusted Schedule of Creditors			
		€	€
	Balance as per list of Creditors [€53,306 – €1,972]		••51,334 (3)
<u>Add</u>	Discount Disallowed (1) (i)	300 (3)	
	Cash Purchases (1) (ii)	640 (3)	
	Interest (1) (iii)	82 (3)	
	Invoice (1) (v)	950 (3)	1,972
			53,306
<u>Less</u>	Credit Note (1) (iv)	466 (3)	
	Credit Note Adjustment [€450 – €25] (1) (vi)	450 (3)	(916)
	Net balance as per adjusted Control Account		•52,390 (1)

• Allow full marks for student's own figure, but must be '–396'.

•• Accept correct figure only.

▪ Allow 1 mark for correct word(s) even if figure is incorrect or omitted.

- (c) (i) Explain the term 'contra item'. (2)

– an offset of a debtor against a creditor (1) where the debtor and the creditor are the same person/business (1)

\*\* Figures in brackets show the breakdown of marks if answer incomplete.

\*\* Accept student's own wording if equivalent meaning conveyed.

\*\* Accept other appropriate material.