



Accounting Leaving Certificate Higher Level

Past Exam Questions on:

Credit Controls Accounts.

4. Creditors Control Account

The Creditors Ledger Control Account of P. Whelan showed the following balances - €54,225 cr and €650 dr on 31/12/2009. These figures did not agree with the Schedule (List) of Creditors' Balances extracted from the creditors ledger on the same date. An examination of the books revealed the following:

- (i) A credit note was received from M. Jones for €215. The only entry made in the books was €251 credited to the creditors account.
- (ii) An invoice received from K. Kelly showing the purchase of goods for €1,500 less trade discount 10% had been entered correctly in the appropriate day book but had not been posted to the personal account.
- (iii) A creditor had charged Whelan interest of €95 on an overdue account. The only entry made in Whelan's books for this interest had been €35 debited to the creditors account. After a complaint by Whelan this charge had been reduced to €55 but this reduction had not been reflected in the books.
- (iv) Discount disallowed by a supplier of €52 had been treated as discount received in the books.
- (v) Cash purchases by Whelan of €900 had been debited to a suppliers account.
- (vi) Whelan had returned goods €840 to a supplier and entered this correctly in the books. A credit note arrived showing a deduction of 10% as a restocking charge. The total amount of this credit note was credited to the creditors account. No other entry was made in the books.

You are required to:

- (a) Prepare the Adjusted Creditors Ledger Control Account. (24)
- (b) Prepare the Adjusted Schedule of Creditors showing the original balance. (28)
- (c) Give reasons why the balance in the Creditors' Control Account may not agree with the balance in the Schedule of Creditors. (8)

(60 marks)

Q2 2008

2 Creditors Control Account

(120 marks)

The Creditors Ledger Control Account of K O'Shea showed the following balances - €17,550 cr and €630 dr on 31/12/2007. These figures did not agree with the Schedule (List) of Creditors' Balances extracted on the same date. An examination of the books revealed the following

- (i) K O'Shea had received an invoice from a supplier for €510. This had been entered in the appropriate day-book as €570. However, when posting from this book to the ledger, no entry had been made in the personal account.
- (ii) A credit note was received from a supplier for €120. The only entry made in the books was €102 credited to a creditor's account.
- (iii) A creditor had charged K O'Shea interest of €76 on an overdue account. The only entry made in the books for this interest had been €67 credited to the creditor's account. After a complaint by K O'Shea this charge had been reduced to €50 but this reduction had not been reflected in the books.
- (iv) Cash purchases by K O'Shea of €140 had been debited to a supplier's account.
- (v) K O'Shea had returned goods €110 to a supplier and entered this correctly in the books. However, a credit note arrived showing a deduction of 10% as a restocking charge. The total amount of this credit note was debited to the creditor's account and €90 was entered on the incorrect side of the nominal ledger.
- (vi) Discount disallowed by a supplier of €32 had been treated as discount received in the books.

You are required to:

- (a) Prepare the Adjusted Creditors Ledger Control Account. (24)
- (b) Prepare the Adjusted Schedule of Creditors showing the original balance. (30)
- (c) Outline the advantages of Control Accounts to a firm. (6)

(60 marks)

Q2 2005

Creditors Control Account

The Creditors Ledger Control Account of N. Nolan showed the following balances - €62,125 cr and €772 dr on 31/12/2004. These figures did not agree with the Schedule (List) of Creditors' Balances extracted on the same date. An examination of the books revealed the following:

- (i) An invoice received from T. Murphy showing the purchase of goods for €1,200 less trade discount 20% had been entered correctly in the appropriate day book but had not been posted to the personal account.
- (ii) A credit note was received from a supplier for €277. The only entry made in the books was €27 credited to a creditor's account.
- (iii) A creditor had charged Nolan interest of €85 on an overdue account. The only entry made in the books for this interest had been €25 debited to the creditor's account. After a complaint by Nolan this charge had been reduced to €45 but this reduction had not been reflected in the books.
- (iv) Cash purchases by N. Nolan of €760 had been debited to a supplier's account.
- (v) Nolan had returned goods €480 to a supplier and entered this correctly in the books. However, a credit note arrived showing a deduction of 10% as a restocking charge. The total amount of this credit note was credited to the creditor's account but no other entry was made in the books.
- (vi) Discount disallowed by a supplier of €170 had been treated as discount received in the books.

You are required to:

- (a) Prepare the Adjusted Creditors Ledger Control Account. (24)
- (b) Prepare the Adjusted Schedule of Creditors showing the original balance. (30)
- (c) Explain why Creditors' Control Accounts are prepared. (6)

(60 marks)