



Accounting Leaving Certificate Higher Level

Past Exam Questions on:

Debtors Control Account.

Q2 2011

2. Debtors Control Account

The Debtors Ledger Control Account of S. O'Leary showed the following balances: €32,500 dr and €600 cr on 31/12/2010. These figures did not agree with the Schedule (List) of Debtors Balances extracted on the same date. An examination of the books revealed the following:

- (i) Discount disallowed to a customer of €60 had been recorded as discount allowed in the general ledger and credited as €16 in the customer's account.
- (ii) Interest amounting to €140, had been entered correctly in the interest account, but credited as €40 in the customer's account. Following a complaint by the customer this was reduced by €20. This reduction had not been entered in the books.
- (iii) Cash sales €1,200 and credit sales €710 had both been entered by O'Leary on the credit side of a customer's account.
- (iv) A credit note was sent to a customer for €45 after a restocking charge of €20 was applied. The only entry made was €35 in the returns book. After a complaint was made by the customer, the restocking charge was cancelled.
- (v) An invoice sent by O'Leary to a customer for €1,450 had been entered in the appropriate day book as €1,540. When posting from this book to the ledger no entry had been made in the customer's account.
- (vi) €140 was received from a debtor for a debt previously written off. This represents 70% of the original bad debt. The debtor has undertaken to pay the remainder of the debt and now wishes to trade again with O'Leary. No entries were made in the accounts.

Required:

- (a) Prepare the Adjusted Debtors Ledger Control Account. (22)
- (b) Prepare the Adjusted Schedule (List) of Debtors showing the original balance. (30)
- (c) (i) Which books of first entry are used in the production of Debtors Control Accounts?
(ii) Explain the importance of Control Accounts. (8)

(60 marks)

Q2 – 2007

2 Debtors Control Account

The Debtors Ledger Control Account of J. Forrester showed the following balances - €30,000 dr and €530 cr on 31/12/2006. These figures did not agree with the Schedule (List) of Debtors' Balances extracted on the same date. An examination of the books revealed the following:

- (i) Discount disallowed to a customer €46 had been treated as discount allowed in the discount account.
- (ii) Interest amounting to €90, charged to a customer's overdue account, had been posted to the interest account as €110. Following a complaint by the customer this was reduced to €40. This reduction had not been entered in the books.
- (iii) Cash sales €1,600 and credit sales €820 had both been entered by Forrester on the credit of the customer's account.
- (iv) A credit note was sent to a customer for €520. The only entry made in the books was €52 debited to the customer's account.
- (v) An invoice sent by Forrester to a customer for €1,560 had been entered in the appropriate day book as €1,650. When posting from this book to the ledger no entry had been made in the customer's account.
- (vi) Forrester had accepted sales returns €300 from a customer and entered this correctly in the books. The accounts clerk sent out a credit note showing a restocking charge of 10% of sales price but made the necessary adjustment only in the customer's account. Later this charge was reduced to 4% but this reduction was not reflected in the accounts.

You are required to:

Prepare the Adjusted Debtors Ledger Control Account. (22)

Prepare the Adjusted Schedule of Debtors showing the original balance. (30)

Explain: (i) ~~Content~~
(ii) How 'Opening Balance €530' above could arise. (8)

(60 marks)

Q3 – 2003

3 Debtors Control Account

The Debtors Ledger Control Account of T. O'Dowd showed the following balances - €33,444dr and €633cr on

31/12/2002. These figures did not agree with the Schedule (List) of Debtors Balances extracted on the same date. An examination of the books revealed the following.

- (i) A cheque for €850, received from a customer in full settlement of a debt of €880, had been entered correctly in the books. However, this cheque was dishonoured but no entry had been made in the books relating to the cancelled cheque.
- (ii) Cash sales €1,800 and credit sales €800 had both been entered by O'Dowd on the credit of a customer's account.

- (iii) O'Dowd had sent an invoice to a customer for €1,680. This had been entered in the appropriate day book as €1,860. However when posting from this book to the ledger no entry had been made in the customer account.
- (iv) A credit note was sent to a customer for €566. The only entry made in the books was €56 debited to the customer's account.
- (v) O'Dowd had charged a customer interest amounting to €82 on an overdue account. The only entry in the books for this interest had been €28 credited to the customer's account. After a protest this interest was reduced to €20 but this reduction had not been reflected in the accounts.
- (vi) O'Dowd had accepted sales returns €400 from a customer and entered this correctly in the books. However, a credit note was sent out by the secretary showing a restocking charge of 10% of sales price. The secretary made the necessary adjustment only in the customer's account. Later this charge was reduced to 6% but this reduction was not reflected in the accounts.

You are required to show the following:

- (a) Adjusted Debtors' Ledger Control Account.
- (b) Adjusted Schedule of Debtors' showing the original balance.

(35)

(25)(60 marks)