



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

ACCOUNTING

0452/22

Paper 22

March 2017

MARK SCHEME

Maximum Mark: 120

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge will not enter into discussions about these mark schemes.

Cambridge is publishing the mark schemes for the March 2017 series for most Cambridge IGCSE[®], Cambridge International A and AS Level components and some Cambridge O Level components.

Question	Answer	Marks																																																																																																																								
1(a)	Mandeep – Cash Book <table><thead><tr><th>Date</th><th>Details</th><th>Discount allowed</th><th>Cash</th><th>Bank</th><th>Date</th><th>Details</th><th>Discount received</th><th>Cash</th><th>Bank</th></tr></thead><tbody><tr><td>2016</td><td></td><td>\$</td><td>\$</td><td>\$</td><td>2016</td><td></td><td>\$</td><td>\$</td><td>\$</td></tr><tr><td>Dec 1</td><td>Balance b/d</td><td></td><td>150</td><td></td><td>Dec 1</td><td>Balance b/d</td><td></td><td></td><td>2 590</td></tr><tr><td>11</td><td>Jabin (1)</td><td>6</td><td></td><td>294</td><td>4</td><td>Repairs (1)</td><td></td><td></td><td>387</td></tr><tr><td>27</td><td>Sales (1)</td><td></td><td>6 795</td><td></td><td>15</td><td>Rama (1)</td><td>18</td><td></td><td>702</td></tr><tr><td>31</td><td>Cash c (1)OF</td><td></td><td></td><td>1 745</td><td>29</td><td>Drawings (1)</td><td></td><td>5 000</td><td></td></tr><tr><td></td><td>Balance c/d</td><td></td><td></td><td>1 640</td><td>31</td><td>Bank c (1)</td><td></td><td>1 745</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>Balance c/d</td><td></td><td>200</td><td></td></tr><tr><td></td><td></td><td></td><td>6</td><td>6 945</td><td></td><td></td><td>18</td><td>6 945</td><td>3 679</td></tr><tr><td>2017</td><td></td><td></td><td></td><td></td><td>2017</td><td></td><td></td><td></td><td></td></tr><tr><td>Jan 1</td><td>Balance b/d</td><td></td><td>200</td><td></td><td>Jan 1</td><td>Balance b/d</td><td></td><td></td><td>1 640</td></tr><tr><td></td><td></td><td></td><td>(1)</td><td></td><td></td><td></td><td></td><td></td><td>(1)OF</td></tr></tbody></table> +(1) dates	Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank	2016		\$	\$	\$	2016		\$	\$	\$	Dec 1	Balance b/d		150		Dec 1	Balance b/d			2 590	11	Jabin (1)	6		294	4	Repairs (1)			387	27	Sales (1)		6 795		15	Rama (1)	18		702	31	Cash c (1)OF			1 745	29	Drawings (1)		5 000			Balance c/d			1 640	31	Bank c (1)		1 745								Balance c/d		200					6	6 945			18	6 945	3 679	2017					2017					Jan 1	Balance b/d		200		Jan 1	Balance b/d			1 640				(1)						(1)OF	10
Date	Details	Discount allowed	Cash	Bank	Date	Details	Discount received	Cash	Bank																																																																																																																	
2016		\$	\$	\$	2016		\$	\$	\$																																																																																																																	
Dec 1	Balance b/d		150		Dec 1	Balance b/d			2 590																																																																																																																	
11	Jabin (1)	6		294	4	Repairs (1)			387																																																																																																																	
27	Sales (1)		6 795		15	Rama (1)	18		702																																																																																																																	
31	Cash c (1)OF			1 745	29	Drawings (1)		5 000																																																																																																																		
	Balance c/d			1 640	31	Bank c (1)		1 745																																																																																																																		
						Balance c/d		200																																																																																																																		
			6	6 945			18	6 945	3 679																																																																																																																	
2017					2017																																																																																																																					
Jan 1	Balance b/d		200		Jan 1	Balance b/d			1 640																																																																																																																	
			(1)						(1)OF																																																																																																																	

Question	Answer										Marks
1(b)	Mandeep Inventory account										14
	\$					\$					
	2016					2016					
	Jan 1	Balance b/d		12 650		Dec 31	Income Statement		12 650	(1)	
	Dec 31	Income Statement		13 420	(1)	Dec 31	Balance c/d		13 420		
	2017										
	Jan 1	Balance b/d		13 420	(1)						
	Provision for depreciation of office fixtures account										
	\$					\$					
	2016					2016					
	Dec 31	Balance c/d		4 636		Jan 1	Balance b/d		3 420		
						Dec 31	Income Statement		1 216	(1)	
				4 636					4 636		
						2017					
						Jan 1	Balance b/d		4 636	(1)OF	
	General expenses account										
\$					\$						
2016					2016						
Dec 31	Total payments		9 475		Dec 31						
	Balance c/d		375			Income Statement		9 850	(1)		
			9 850					9 850			
					2017						
					Jan 1	Balance b/d		375	(1)		

Question	Answer				Marks																																																																																																																		
	Rent receivable account <table> <tr> <td></td><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">\$</td><td></td></tr> <tr> <td>2016</td><td></td><td></td><td>2016</td><td></td><td></td></tr> <tr> <td>Dec 31</td><td></td><td></td><td>Jan 1</td><td>Total receipts</td><td>5 060</td></tr> <tr> <td></td><td>Income Statement</td><td style="text-align: right;">5 520</td><td>Dec 31</td><td>Balance c/d</td><td style="text-align: right;">460</td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>5 520</u></td><td></td><td></td><td style="text-align: right;"><u>5 520</u></td></tr> <tr> <td>2017</td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Jan 1</td><td>Balance b/d</td><td style="text-align: right;">460</td><td></td><td></td><td></td></tr> </table> Drawings account <table> <tr> <td></td><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">\$</td><td></td></tr> <tr> <td>2016</td><td></td><td></td><td>2016</td><td></td><td></td></tr> <tr> <td>Dec 31</td><td>Total drawings</td><td style="text-align: right;">8 950</td><td>Dec 31</td><td>Capital</td><td style="text-align: right;">8 950</td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>8 950</u></td><td></td><td></td><td style="text-align: right;"><u>8 950</u></td></tr> </table> Capital account <table> <tr> <td></td><td></td><td style="text-align: center;">\$</td><td></td><td style="text-align: center;">\$</td><td></td></tr> <tr> <td>2016</td><td></td><td></td><td>2016</td><td></td><td></td></tr> <tr> <td>Dec 31</td><td>Drawings</td><td style="text-align: right;">8 950</td><td>Jan 1</td><td>Balance b/d</td><td>63 000</td></tr> <tr> <td></td><td>Balance c/d</td><td style="text-align: right;">91 650</td><td>Dec 30</td><td>Motor vehicle</td><td style="text-align: right;">16 000</td></tr> <tr> <td></td><td></td><td></td><td>31</td><td>Profit for year</td><td style="text-align: right;">21 600</td></tr> <tr> <td></td><td></td><td style="text-align: right;"><u>100 600</u></td><td></td><td></td><td style="text-align: right;"><u>100 600</u></td></tr> <tr> <td></td><td></td><td></td><td>2017</td><td></td><td></td></tr> <tr> <td></td><td></td><td></td><td>Jan 1</td><td>Balance b/d</td><td style="text-align: right;">91 650</td></tr> </table>						\$		\$		2016			2016			Dec 31			Jan 1	Total receipts	5 060		Income Statement	5 520	Dec 31	Balance c/d	460			<u>5 520</u>			<u>5 520</u>	2017						Jan 1	Balance b/d	460						\$		\$		2016			2016			Dec 31	Total drawings	8 950	Dec 31	Capital	8 950			<u>8 950</u>			<u>8 950</u>			\$		\$		2016			2016			Dec 31	Drawings	8 950	Jan 1	Balance b/d	63 000		Balance c/d	91 650	Dec 30	Motor vehicle	16 000				31	Profit for year	21 600			<u>100 600</u>			<u>100 600</u>				2017						Jan 1	Balance b/d	91 650	
		\$		\$																																																																																																																			
2016			2016																																																																																																																				
Dec 31			Jan 1	Total receipts	5 060																																																																																																																		
	Income Statement	5 520	Dec 31	Balance c/d	460																																																																																																																		
		<u>5 520</u>			<u>5 520</u>																																																																																																																		
2017																																																																																																																							
Jan 1	Balance b/d	460																																																																																																																					
		\$		\$																																																																																																																			
2016			2016																																																																																																																				
Dec 31	Total drawings	8 950	Dec 31	Capital	8 950																																																																																																																		
		<u>8 950</u>			<u>8 950</u>																																																																																																																		
		\$		\$																																																																																																																			
2016			2016																																																																																																																				
Dec 31	Drawings	8 950	Jan 1	Balance b/d	63 000																																																																																																																		
	Balance c/d	91 650	Dec 30	Motor vehicle	16 000																																																																																																																		
			31	Profit for year	21 600																																																																																																																		
		<u>100 600</u>			<u>100 600</u>																																																																																																																		
			2017																																																																																																																				
			Jan 1	Balance b/d	91 650																																																																																																																		

Question	Answer	Marks
2(a)(i)	A statement in which the profit or loss for the year is calculated	1
2(a)(ii)	A statement showing the assets and liabilities of a business on a certain date	1
2(a)(iii)	Assets which are purchased for use not for resale Assets whose values do not fluctuate frequently Assets which will be kept by the business for more than 12 months Assets which are acquired to aid the business earn revenue Any two statements (1) each	2
2(a)(iv)	Liabilities which are not due for repayment within 12 months	1
2(a)(v)	Either The amount the business owes the owner of that business Or Any resources provided for a business by the owner of that business	1
2(b)	Goodwill/patents/trademarks/other suitable example	1
2(c)	The current assets are more than three times the current liabilities/it is much higher than the “benchmark” of 2 : 1 The current liabilities can easily be paid from the current assets Funds are not being used very effectively Any two comments (1) each	2
2(d)	Inventory is excluded from the calculation of the quick ratio (1) Either Inventory is not regarded as a liquid asset (1) Or The ratio shows whether the business would have surplus liquid funds if the current liabilities were paid immediately from the liquid assets (1)	2
2(e)	Introduce more cash as capital Obtain long term loans Sell surplus non-current assets Reduce drawings Reduce inventory level Any two points (1) each	2

Question	Answer	Marks
2(f)(i)	Transactions are recorded at actual cost (1) It is difficult to compare transactions taking place at different times (1)	2
2(f)(ii)	Only information which was be expressed in monetary terms is recorded (1) Many important factors which affect the business are not recorded (1)	2

Question	Answer				Marks
3(a)	Doshi Manufacturing Company				12
	Manufacturing Account for the year ended 31 January 2017				
		\$	\$	\$	
	Cost of materials consumed				
	Opening inventory of raw materials		49 500		
	Purchases of raw materials	394 600			
	Less Purchases returns	<u>16 400</u>	<u>378 200</u>	(1) 427 700	
	Closing inventory of raw materials			<u>41 100</u>	
				386 600	
				(1)OF	
	Direct factory wages			<u>297 100</u>	
				(1)	
	Prime cost			683 700	
				(1)OF	
	Factory overheads				
	Factory supervisors' wages				
	(152 000 (1) + 12 000 (1))		164 000		
General expenses (3/5 × 160 000)		96 000	(1)		
Depreciation factory machinery					
(20% × (250 000 – 122 000))		25 600	(1)		
Depreciation loose tools					
(21 150 – 19 050)		<u>2 100</u>	(1)		
			<u>287 700</u>		
			971 400		
			(1)OF		
Opening work in progress			<u>28 750</u>		
			*		
			1 000 150		
Closing work in progress			<u>31 250</u>		
			*(1) both		
Cost of production			<u>968 900</u>		
			(1)OF		

Question	Answer	Marks																																																																												
3(b)	Doshi Manufacturing Company Income Statement for the year ended 31 January 2017 <table><thead><tr><th></th><th>\$</th><th>\$</th><th>\$</th></tr></thead><tbody><tr><td>Revenue</td><td></td><td></td><td>1 246 850</td></tr><tr><td>Less returns inwards</td><td></td><td></td><td><u>12 250</u></td></tr><tr><td></td><td></td><td></td><td>1 234 600 (1)</td></tr><tr><td>Cost of sales</td><td></td><td></td><td></td></tr><tr><td>Opening inventory of finished goods</td><td></td><td>63 100</td><td></td></tr><tr><td>Cost of production</td><td></td><td>968 900 (1)OF</td><td></td></tr><tr><td>Purchases of finished goods</td><td>21 700 (1)</td><td></td><td></td></tr><tr><td>Carriage inwards</td><td><u>1 500 (1)</u></td><td><u>23 200</u></td><td></td></tr><tr><td></td><td></td><td>1 055 200</td><td></td></tr><tr><td>Closing inventory finished goods</td><td></td><td><u>59 100</u></td><td>996 100 (1)OF</td></tr><tr><td>Gross profit</td><td></td><td></td><td>238 500 (1)OF</td></tr><tr><td>Less Wages of office & sales staff</td><td></td><td></td><td></td></tr><tr><td>(108 700 (1) + 4 300 (1))</td><td></td><td>113 000</td><td></td></tr><tr><td>General expenses</td><td></td><td></td><td></td></tr><tr><td>(2/5 × 160 000)</td><td></td><td>64 000 (1)</td><td></td></tr><tr><td>Depreciation office equipment</td><td></td><td></td><td></td></tr><tr><td>(15% × 72 000)</td><td></td><td><u>10 800 (1)</u></td><td><u>187 800</u></td></tr><tr><td>Profit for the year</td><td></td><td></td><td><u>50 700 (1) OF</u></td></tr></tbody></table>		\$	\$	\$	Revenue			1 246 850	Less returns inwards			<u>12 250</u>				1 234 600 (1)	Cost of sales				Opening inventory of finished goods		63 100		Cost of production		968 900 (1)OF		Purchases of finished goods	21 700 (1)			Carriage inwards	<u>1 500 (1)</u>	<u>23 200</u>				1 055 200		Closing inventory finished goods		<u>59 100</u>	996 100 (1)OF	Gross profit			238 500 (1)OF	Less Wages of office & sales staff				(108 700 (1) + 4 300 (1))		113 000		General expenses				(2/5 × 160 000)		64 000 (1)		Depreciation office equipment				(15% × 72 000)		<u>10 800 (1)</u>	<u>187 800</u>	Profit for the year			<u>50 700 (1) OF</u>	11
	\$	\$	\$																																																																											
Revenue			1 246 850																																																																											
Less returns inwards			<u>12 250</u>																																																																											
			1 234 600 (1)																																																																											
Cost of sales																																																																														
Opening inventory of finished goods		63 100																																																																												
Cost of production		968 900 (1)OF																																																																												
Purchases of finished goods	21 700 (1)																																																																													
Carriage inwards	<u>1 500 (1)</u>	<u>23 200</u>																																																																												
		1 055 200																																																																												
Closing inventory finished goods		<u>59 100</u>	996 100 (1)OF																																																																											
Gross profit			238 500 (1)OF																																																																											
Less Wages of office & sales staff																																																																														
(108 700 (1) + 4 300 (1))		113 000																																																																												
General expenses																																																																														
(2/5 × 160 000)		64 000 (1)																																																																												
Depreciation office equipment																																																																														
(15% × 72 000)		<u>10 800 (1)</u>	<u>187 800</u>																																																																											
Profit for the year			<u>50 700 (1) OF</u>																																																																											
3(c)	Low value items which are not easy to depreciate separately/Not practical to keep detailed records of such assets/other suitable comment.	1																																																																												

Question	Answer	Marks																
4(a)	Purchases ledger	1																
4(b)	Lahiru has returned goods to Nusrath (1) Credit purchases returns (returns outwards) account (1)	2																
4(c)(i)	2½%	1																
4(c)(ii)	Prompt payment/payment within the specified period	1																
4(d)	Set off the amount Lahiru owes Nusrath against the amount Nusrath owes Lahiru/other suitable explanation	1																
4(e)	Nusrath Journal <table><tr><td></td><td>Debit \$</td><td>Credit \$</td><td></td></tr><tr><td>Lahiru (purchases ledger)</td><td>68</td><td></td><td>(1)</td></tr><tr><td>Lahiru (sales ledger)</td><td></td><td>68</td><td>(1)</td></tr><tr><td>Contra entry to set balance in purchases ledger against balance in sales ledger</td><td></td><td></td><td>(1)</td></tr></table>		Debit \$	Credit \$		Lahiru (purchases ledger)	68		(1)	Lahiru (sales ledger)		68	(1)	Contra entry to set balance in purchases ledger against balance in sales ledger			(1)	3
	Debit \$	Credit \$																
Lahiru (purchases ledger)	68		(1)															
Lahiru (sales ledger)		68	(1)															
Contra entry to set balance in purchases ledger against balance in sales ledger			(1)															
4(f)(i)	\$564	1																
4(f)(ii)	Current assets	1																

Question	Answer	Marks
4(g)	Lahiru Provision for doubtful debts account \$ 2017 Feb 28 Balance c/d 716	

Question	Answer	Marks																																																																																																																
5(a)	<table><tr><td></td><td></td><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Payments to credit suppliers</td><td></td><td></td><td>32 725</td><td>(1)</td><td></td><td></td></tr><tr><td>Cash discount received</td><td></td><td></td><td>640</td><td>(1)</td><td></td><td></td></tr><tr><td>Trade payables 31 January 2017</td><td></td><td></td><td>5 350</td><td>(1)</td><td>38 715</td><td></td></tr><tr><td>Less Trade payables 1 February 2016</td><td></td><td></td><td><u>4 600</u></td><td>(1)</td><td></td><td></td></tr><tr><td>Interest on overdue account</td><td></td><td></td><td><u>15</u></td><td>(1)</td><td><u>4 615</u></td><td></td></tr><tr><td>Purchases for the year</td><td></td><td></td><td></td><td></td><td><u>34 100</u></td><td>(1) OF</td></tr></table> Alternative calculation <table><tr><td colspan="6">Total trade payables account</td><td></td></tr><tr><td colspan="6"></td><td>\$</td></tr><tr><td colspan="6"></td><td>\$</td></tr><tr><td>2017</td><td colspan="2"></td><td colspan="2"></td><td>2016</td><td></td></tr><tr><td>Jan 31</td><td>Bank</td><td>32 725</td><td>(1)</td><td>Feb 1</td><td>Balance b/d</td><td>4 600 (1)</td></tr><tr><td></td><td>Discount</td><td>640</td><td>(1)</td><td>2017</td><td></td><td></td></tr><tr><td></td><td>Balance c/d</td><td>5 350</td><td>(1)</td><td>Jan 31</td><td>Interest</td><td>15 (1)</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Purchases</td><td><u>34 100</u> (1)OF</td></tr><tr><td></td><td></td><td><u>38 715</u></td><td></td><td></td><td></td><td><u>38 715</u></td></tr></table>				\$		\$		Payments to credit suppliers			32 725	(1)			Cash discount received			640	(1)			Trade payables 31 January 2017			5 350	(1)	38 715		Less Trade payables 1 February 2016			<u>4 600</u>	(1)			Interest on overdue account			<u>15</u>	(1)	<u>4 615</u>		Purchases for the year					<u>34 100</u>	(1) OF	Total trade payables account													\$							\$	2017					2016		Jan 31	Bank	32 725	(1)	Feb 1	Balance b/d	4 600 (1)		Discount	640	(1)	2017				Balance c/d	5 350	(1)	Jan 31	Interest	15 (1)						Purchases	<u>34 100</u> (1)OF			<u>38 715</u>				<u>38 715</u>	6
			\$		\$																																																																																																													
Payments to credit suppliers			32 725	(1)																																																																																																														
Cash discount received			640	(1)																																																																																																														
Trade payables 31 January 2017			5 350	(1)	38 715																																																																																																													
Less Trade payables 1 February 2016			<u>4 600</u>	(1)																																																																																																														
Interest on overdue account			<u>15</u>	(1)	<u>4 615</u>																																																																																																													
Purchases for the year					<u>34 100</u>	(1) OF																																																																																																												
Total trade payables account																																																																																																																		
						\$																																																																																																												
						\$																																																																																																												
2017					2016																																																																																																													
Jan 31	Bank	32 725	(1)	Feb 1	Balance b/d	4 600 (1)																																																																																																												
	Discount	640	(1)	2017																																																																																																														
	Balance c/d	5 350	(1)	Jan 31	Interest	15 (1)																																																																																																												
					Purchases	<u>34 100</u> (1)OF																																																																																																												
		<u>38 715</u>				<u>38 715</u>																																																																																																												
5(b)	Jai Income Statement (Trading account section) for the year ended 31 January 2017 <table><tr><td></td><td></td><td></td><td>\$</td><td></td><td>\$</td><td></td></tr><tr><td>Revenue</td><td></td><td></td><td></td><td></td><td>42 000</td><td>(1) OF</td></tr><tr><td>Cost of sales</td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Inventory 1 February 2016</td><td></td><td></td><td>2 900</td><td>(1)</td><td></td><td></td></tr><tr><td>Purchases</td><td></td><td></td><td><u>34 100</u></td><td>(1)</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td>OF</td><td></td><td></td></tr><tr><td></td><td></td><td></td><td>37 000</td><td></td><td></td><td></td></tr><tr><td>Less Inventory 31 January 2017</td><td></td><td></td><td><u>3 400</u></td><td>(1)</td><td><u>33 600</u></td><td>(1) OF</td></tr><tr><td>Gross profit</td><td></td><td></td><td></td><td></td><td><u>8 400</u></td><td>}(2) CF/(1) OF</td></tr></table>				\$		\$		Revenue					42 000	(1) OF	Cost of sales							Inventory 1 February 2016			2 900	(1)			Purchases			<u>34 100</u>	(1)							OF						37 000				Less Inventory 31 January 2017			<u>3 400</u>	(1)	<u>33 600</u>	(1) OF	Gross profit					<u>8 400</u>	}(2) CF/(1) OF	7																																																	
			\$		\$																																																																																																													
Revenue					42 000	(1) OF																																																																																																												
Cost of sales																																																																																																																		
Inventory 1 February 2016			2 900	(1)																																																																																																														
Purchases			<u>34 100</u>	(1)																																																																																																														
				OF																																																																																																														
			37 000																																																																																																															
Less Inventory 31 January 2017			<u>3 400</u>	(1)	<u>33 600</u>	(1) OF																																																																																																												
Gross profit					<u>8 400</u>	}(2) CF/(1) OF																																																																																																												
5(c)	$\frac{33\,600 \text{ OF } \} (1)}{(2900 + 3400) / 2} = \frac{33\,600}{3150} = 10.67 \text{ times } (1) \text{ OF}$	2																																																																																																																

Question	Answer				Marks
5(d)	Reduce inventory levels More sales activity Or other suitable points Any 2 points (1) each				2
5(e)	Prudence				1
5(f)			overstated	understated	2
		Current assets at 31 January 2017	✓		
		Profit for the year ended 31 January 2017	✓(1)		
		Profit for the year ending 31 January 2018		✓(1)	
5(g)	Increase selling price Reduce trade discount allowed to customers Reduce purchase price Find cheaper supplier Obtain better trade discount Any 2 comments (1) each				2

Question	Answer	Marks																																	
6(a)	Amina Journal <table><tr><td></td><td>Debit \$</td><td>Credit S</td><td></td></tr><tr><td>Sales returns</td><td>960</td><td></td><td>(1)</td></tr><tr><td>Purchases returns</td><td>960</td><td></td><td>(1)</td></tr><tr><td>Suspense</td><td></td><td>1 920</td><td>(1)</td></tr><tr><td>No entry</td><td>–</td><td></td><td>(1)</td></tr><tr><td>Suspense</td><td></td><td>3 000</td><td>(1)</td></tr><tr><td>AK Stores</td><td>330</td><td></td><td>(1)</td></tr><tr><td>Suspense</td><td></td><td>330</td><td>(1)</td></tr></table>		Debit \$	Credit S		Sales returns	960		(1)	Purchases returns	960		(1)	Suspense		1 920	(1)	No entry	–		(1)	Suspense		3 000	(1)	AK Stores	330		(1)	Suspense		330	(1)	7	
	Debit \$	Credit S																																	
Sales returns	960		(1)																																
Purchases returns	960		(1)																																
Suspense		1 920	(1)																																
No entry	–		(1)																																
Suspense		3 000	(1)																																
AK Stores	330		(1)																																
Suspense		330	(1)																																
6(b)	<table><tr><th rowspan="2">Error</th><th colspan="3">Effect on draft profit for the year of correcting the error</th><th rowspan="2"></th></tr><tr><th>Increase \$</th><th>Decrease \$</th><th>No effect</th></tr><tr><td>1</td><td>1 000</td><td></td><td></td><td>(1)</td></tr><tr><td>2</td><td></td><td>484</td><td></td><td>(2)*</td></tr><tr><td>3</td><td></td><td>1 920</td><td></td><td>(2)*</td></tr><tr><td>4</td><td></td><td></td><td>✓</td><td>(1)</td></tr><tr><td>5</td><td></td><td></td><td>✓</td><td>(1)</td></tr></table> * (1) position + (1) amount	Error	Effect on draft profit for the year of correcting the error				Increase \$	Decrease \$	No effect	1	1 000			(1)	2		484		(2)*	3		1 920		(2)*	4			✓	(1)	5			✓	(1)	7
Error	Effect on draft profit for the year of correcting the error																																		
	Increase \$	Decrease \$	No effect																																
1	1 000			(1)																															
2		484		(2)*																															
3		1 920		(2)*																															
4			✓	(1)																															
5			✓	(1)																															