

# Rectification of Errors

## Types of Errors:

**Errors of Principle** : When a transaction is recorded in contravention of accounting principles like recording the wrong type of account, it is an error of principle. There is no effect on the trial balance since the amounts are placed on the correct side.

**Clerical Errors** : Errors arise because of mistake committed in the course of the accounting work

- (i) **Errors of Omission** : If a transaction is completely or partially omitted from the books of account, it will be a case of omission.
- (ii) **Errors of Commission** : It includes posting of wrong amount , posting on the wrong side , posting to wrong Account, wrong totaling , recording of wrong amount in the subsidiary books wrong , it will be a case of “errors of commission”. It includes all types of errors excluding Error of Principle and Omission.
- (iii) **Compensating Errors** : If the effect of errors committed hide the effects of the other errors , the errors will be called compensating errors.

There are some errors which affect one side of an account or which affect more than one account in such a way that it is not possible to pass a complete rectification entry. There are some errors which can be corrected, by making rectification statement. The general rule that errors affecting two accounts can always be corrected by a journal entry is not always valid.

**Rectification of Errors can be done :**

- (a) Before preparation of Trial Balance
  - (b) After Trial Balance but before the final accounts are drawn
  - (c) After Final Accounts i.e., in the next accounting period.
- (a) **Before Trial Balance** : One sided errors can be rectified by recording a statement.
  - (b) **After Trial Balance** : All errors will be rectified by recording a Journal entry. In case of unbalanced entry the help of Suspense A/c should be taken to balance the same.
  - (c) **After final Accounts** : If the errors are not rectified before the preparation of Final Accounts then they should be rectified in the next accounting period. Since these errors are related to the previous year the rectification of these errors will affect the profit of the previous year ultimately affecting the Capital Account as profit of the year is transferred to the Capital A/c. All those Accounts affecting the Profit / Loss of the last year [i.e. all accounts appearing in Trading & Profit & Loss A/c] should be replaced with Profit & Loss Adjustment A/c. After all rectification entries balance in Profit & Loss Adjustment A/c should be transferred to Capital A/c.
    - (i) Profit & Loss Adjustment A/c Debit means last years Profit which had been shown more after rectification has now been shown less.
    - (ii) Profit & Loss Adjustment A/c Credit means last years profit which had been shown less after rectification has been shown more.

## IDEAL / CPT / ACCOUNTS / RECTIFICATION OF ERRORS

*	Errors which affects the Trial Balance.	*	Errors which do not affect the Trial Balance.
I)	Error of Partial omission	I)	Error of complete omission
II)	Not posted	II)	Error of Principle
III)	Posting of wrong Amount.	III)	Error of Duplication
IV)	Posting on the wrong side.	IV)	Compensating error
V)	Wrong Total.	V)	Recording in wrong subsidiary book.
VI)	Wrong c/f.	VI)	Recording of wrong amount.
		VII)	Recording of wrong Account
		VIII)	Posting to wrong Account

### Rectify the following:

1. Furniture Purchased ₹1,000 debited to purchases. ⇒ \_\_\_\_\_
2. Machinery sold ₹2,000 credited to sales. ⇒ \_\_\_\_\_
3. Purchase of table ₹3,000 recorded in Purchase Book. ⇒ \_\_\_\_\_
4. Sale of car ₹4,000 Recorded in Sales Book. ⇒ \_\_\_\_\_
5. Purchases of ₹2,000 from Amit was recorded in Sales Book. ⇒ \_\_\_\_\_
6. Sale of ₹5,000 to yogesh was recorded in Purchase Book. ⇒ \_\_\_\_\_
7. Salary paid ₹5,000 to Ramesh Debited to his personal A/c. ⇒ \_\_\_\_\_
8. Salary paid ₹3,000 not posted. ⇒ \_\_\_\_\_
9. Goods sold to Kumar ₹1,000 not posted. ⇒ \_\_\_\_\_
10. Purchases from Rohan ₹2,000 not posted. ⇒ \_\_\_\_\_
11. Cash Purchases ₹10,000 Posted as ₹1,000. ⇒ \_\_\_\_\_
12. Cash Sales ₹300 posted as ₹3,000. ⇒ \_\_\_\_\_
13. Discount allowed ₹500 not posted to Disooount A/c. ⇒ \_\_\_\_\_
14. Purchase A/c overcast by ₹1,000. ⇒ \_\_\_\_\_
15. Sales A/c Overcast by ₹2,000. ⇒ \_\_\_\_\_
16. Purchase A/c Undercast by ₹3,000. ⇒ \_\_\_\_\_
17. Sales A/c Undercast by ₹500. ⇒ \_\_\_\_\_
18. Wages A/c Overcast by ₹1,000. ⇒ \_\_\_\_\_
19. Goods Returned to Sonam ₹6,000 not Recorded. ⇒ \_\_\_\_\_
20. Furniture Purchased Debited to car ₹6,000. ⇒ \_\_\_\_\_
21. Commission paid ₹500 Debited to Interest. ⇒ \_\_\_\_\_
22. Rent Received ₹200 Credited to Interest. ⇒ \_\_\_\_\_
23. Total of Discount column of on Debit side of Cash Book posted to credit of discount A/c ₹500. ⇒ \_\_\_\_\_
24. Debit side Total salary ₹1,000 was c/f to the credit side. ⇒ \_\_\_\_\_
25. Debit side total of cash ₹10,000 was c/f to the credit side as ₹1,000. ⇒ \_\_\_\_\_
26. Goods purchased ₹10,000 Recorded is Purchase book as ₹1,000. ⇒ \_\_\_\_\_
27. Goods sold to Ajit ₹500 posted to his credit. ⇒ \_\_\_\_\_

**IDEAL / CPT / ACCOUNTS / RECTIFICATION OF ERRORS**

# **MULTIPLE CHOICE QUESTIONS**

1. When the total of trial balance is not reconciled, the account opened at this juncture is :  
(a) Trading Account (b) Suspense Account  
(c) Profit & Loss Account (d) None of these
2. Error of commission arises when  
(a) Any transaction is incorrectly recorded, either wholly or partially  
(b) Any transaction is left wholly  
(c) Any transaction is recorded in a fundamentally incorrect manner  
(d) None of these
3. Which of these are the basic types of errors?  
(a) Clerical Errors  
(b) Error of Principle & Error of Omission  
(c) Error of Principle & Error of Commission  
(d) Error of Principle & Compensating Error
4. When an account that normally has debit balance actually has a credit balance, or vice versa, it indicates  
(a) An unusual transaction must have occurred  
(b) An error in recording must have been made  
(c) An error in posting may have been made  
(d) An entry must have been omitted
5. Indicate which of the following errors will cause the trial balance to be out of balance  
(a) A debit to an incorrect expense account  
(b) A credit to an expense account instead of a credit to an income account  
(c) A debit to an asset account instead of credit to a liability account  
(d) A credit to an income account instead of a credit to an expense account
6. Mohan and Sons, a dealer in machinery, debit machinery account for purchasing machinery on credit. It is an error of  
(a) Omission (b) Commission (c) Principle (d) Compensation
7. Which account is generally used for rectification of errors?  
(a) Memorandum account (b) Suspense account  
(c) Rectification account (d) Adjustment account
8. Errors of principle arise when  
(a) Proper distinction is not made between capital and revenue  
(b) there is an omission of transaction  
(c) wrong amounts are entered in the subsidiary books  
(d) transactions are entered in the wrong subsidiary books

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9. What is an Error of Commission?
- (a) When the effect of errors committed cancel out each other
  - (b) When the transaction recorded is in contravention with the general accounting policies
  - (c) When the amount is written on the wrong side or posted in wrong account or casting errors etc.
  - (d) When a transaction is partially or completely omitted
10. What is an Error of Principle?
- (a) When the amount is written on the wrong side or posted in wrong account or casting errors etc.
  - (b) When the transaction recorded is in contravention with the general accounting policies
  - (c) When the effect of errors committed cancel out each other
  - (d) When a transaction is partially or completely omitted
11. Which of the following errors affects the agreement of a trial balance?
- (a) Mistake in balancing an account
  - (b) Omitting to record a transaction entirely in the subsidiary books
  - (c) Recording of a wrong entry in the subsidiary books
  - (d) Recording a correct entry in wrong subsidiary book
12. Which of the following types of errors do not effect agreement of Trial Balance?
- (a) Omission of an entry altogether from subsidiary books
  - (b) Errors of principle
  - (c) Posting an amount on correct side but of wrong account
  - (d) All of these
13. Which statement is correct?
- (a) Errors of casting is an error of principle
  - (b) One sided error does not affect Trial Balance
  - (c) Compensating errors affect Trial Balance
  - (d) Errors of principle do not affect agreement of Trial Balance
14. Which of the following errors is revealed by trial balance?
- (a) Wrong amount entered in the book of original entry
  - (b) Wrong amount entered in a ledger account
  - (c) Complete omission of an entry from the book of original entry
  - (d) All of the above
15. ₹25,000 received from Aditi, is credited in the account of Prerna. It is an error of :
- (a) Principle
  - (b) Commission
  - (c) Omission
  - (d) Compensatory
16. Wages paid for the erection of a machine debited to Wages A/c is an example of :
- (a) Error of Principle
  - (b) Clerical error
  - (c) Error of Omission
  - (d) Error of commission

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17. Suspense Account is a :  
(a) Nominal Account    (b) Real Account    (c) Personal Account    (d) Any of the above
18. The error in the casting of sales book is called as \_\_\_\_\_.  
(a) error of omission    (b) error of principle    (c) error of commission    (d) None
19. In which of the following type, Suspense A/c is not opened / involved ?  
(a) Errors before preparation of Trial Balance  
(b) Errors after Trial Balance but before Final Accounts  
(c) Errors after Final Accounts  
(d) None of the above
20. For what type of errors, P & L Adjustment A/c needs to be made  
(a) Errors before preparation of Ledger  
(b) Errors before preparation of Trial Balance  
(c) Errors after Trial Balance but before Final Accounts  
(d) Errors after Final Accounts
21. What Rectification Entry will be passed after Final Accounts when the total of the Return Inward Book is not posted in the Ledger ?  
(a) Dr. Return a/c & Cr. Suspense a/c  
(b) Dr. Return a/c & Cr. P & L Adjustment a/c  
(c) Dr. P & L Adjustment a/c & Cr. Suspense a/c  
(d) Dr. Suspense a/c & Cr. P & L Adjustment a/c
22. Repairs to Machinery charged to Machinery A/c is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
23. Goods of ₹ 500 were returned by Rohit and were taken into stock on the same date but no entry was made in the books is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
24. A credit sale wrongly passed through the purchase book is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
25. Goods taken away by the proprietor for personal use not recorded is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
26. Sales Book overcast by ₹1,000 is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
27. The total of a Sales Book ₹2,000 carried forward as ₹200 is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None
28. Repairs of second-hand machinery purchased debited to Repairs is an Error of  
(a) Omission    (b) Commission    (c) Principle    (d) None

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29. The total Sales Book not posted to the ledger is an Error of  
(a) Omission                      (b) Commission                      (c) Principle                      (d) None
30. What is an Errors of Omission?  
(a) When the transaction recorded is in contravention with the general accounting policies  
(b) When the amount is written on the wrong side or posted in wrong account or casting errors etc.  
(c) When a transaction is partially or completely omitted  
(d) When the effect of errors committed cancel out each other
31. Which of the following errors are revealed by the trial balance?  
(a) Treating an expense as an asset  
(b) Posting an amount on the correct side but in the wrong account  
(c) Compensating errors  
(d) None of the above
32. Which of the following errors will cause the trial balance to be out of balance?  
(a) The total of the purchase book is ₹1,000 short.  
(b) Goods received back from Mahesh, ₹250 have not been entered in the Returns Inward Book  
(c) Office furniture purchased from Ravi and Co. ₹950 has been entered in the Purchases Book  
(d) A purchase of ₹251 from Gopal and Co. has been entered in the Purchase Book as ₹ 215
33. Which of the following errors will cause the trial balance to be out of balance?  
(a) Old furniture sold for ₹570 has been entered in the sales book as ₹550.  
(b) The total of the Returns Outward Book, ₹710 has not been posted in the ledger  
(c) Sports material, costing ₹340 purchased for the proprietor has been debited to General Expenses account  
(d) ₹ 325 received from Kishan against a debt previously written off has been credited to his account.
34. Which of the following errors will not cause the trial balance to be out of balance?  
(a) ₹590 received from P. Das has been credited to R.Das  
(b) A purchase of ₹258 from Lekhi has been debited to his account as ₹285  
(c) The total of the discount column of the Cash Book (Cr.) is ₹20 short  
(d) An invoice for ₹460 is posted in the Sales A/c as ₹640
35. Which of the following errors will not cause the trial balance to be out of balance?  
(a) Purchase Book carried forward ₹100 less  
(b) Paid wages ₹480 for construction of a room credited to Wages account  
(c) Purchase return book for March was under cast by ₹35  
(d) None of the above

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36. In recording a receipt of ₹120 of cash from a customer on account, the cash account is credited instead of being debited. The debit total of the trial balance at the end of the month is ₹7,600. What is the total of the credit column of the trial balance?  
(a) ₹7,600                      (b) ₹7,720                      (c) ₹7,840                      (d) None of these
37. Posting of wrong amount in the ledger  
(a) Causes the trial balance to be out of balance  
(b) Does not cause the trial balance to be out of balance  
(c) Causes the ledger account to be out of balance  
(d) Tallies the trial balance
38. Which of the following errors is an error of principle?  
(a) Total sales figure was taken as ₹19,450 instead of ₹19,540  
(b) A discount of ₹90 allowed to Mr. A was not recorded in the discount allowed account  
(c) Legal charges for acquisition of building for ₹ 5,000 was entered in the legal exp. A/c  
(d) ₹2,000 received from Mr. X was posted to the credit of Mr. M
39. Which of the following statements is correct?  
(a) Capital expenditure wrongly treated as revenue is an example of error of commission  
(b) Inventory valuation affects only the income statement  
(c) Undercasting or overcasting of subsidiary book is an example of error of commission  
(d) No entry is needed in case of a bill endorsed in favour of a creditor
40. Which of following is correct?  
(a) Error of principle involves an incorrect allocation of expenditure or receipt between capital and revenue  
(b) Error of carry forward affects two account  
(c) Omission of a transaction from a subsidiary book affects only one account  
(d) Error of casting does not affect Trial Balance.
41. Which of the following is an Error of Commission?  
(a) A sale of ₹ 5,000 omitted to be recorded  
(b) A purchase of ₹ 8,000 was wrongly posted  
(c) Not Treating Installation Charges as addition to asset  
(d) Sales Book overcast by ₹ 5,000 and Purchase Book was overcast by the same amount
42. ₹ 500 on repairing of second hand machinery purchased is transferred to Repairs A/c. It is an error of  
(a) Omission                      (b) Commission                      (c) Principle                      (d) None of the above
43. What is the Rectification Entry when wages paid for installation of machine is included in Wages A/c?  
(a) Dr. Wages A/c & Cr. Machinery A/c                      (b) Dr. Machinery A/c & Cr. Wages A/c  
(c) Dr. Machinery A/c & Cr. Bank                      (d) Dr. Wages A/c & Cr. Bank

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44. An amount of ₹ 2,000 paid to Y against a bill was debited to X's account. The rectification of the error will  
 (a) Increase the net profit (b) Decrease the net profit  
 (c) Increase the gross profit (d) Have no effect on the net profit
45. Cheque received from Meenu ₹ 2,000 was recorded in the cash column of the Cash Book. The rectification will be done by  
 (a) Passing a rectification entry in the journal proper  
 (b) Creating a Suspense A/c  
 (c) Passing a rectification entry in the Cash Book  
 (d) None of the above

46. Match List I (Type of Error) with List II (Description) and select the correct answer using the codes given below

List I	List II
I. Compensating Errors	A. Not recording a business transaction
II. Errors of Omission	B. Charging a Revenue item to Capital
III. Errors of Principle	C. Writing a Dr. item on the Cr. Side & Cr. item on the Dr. Side of equal amount
IV. Errors of Commission	D. Posting a correct amount to a wrong account

Codes

- (a) I-C, II-A, III-D, IV-B (b) I-B, II-A, III-D, IV-C  
 (c) I-C, II-A, III-B, IV-D (d) I-B, II-A, III-C, IV-D
47. The total of a folio in the Sales Book ₹ 1,000 was carried forward as ₹ 11,000  
 (a) Will affect the trial balance (b) Will not affect the trial balance  
 (c) Will affect the B/S (d) None
48. Wrong carrying forward of a balance to next page  
 (a) Will affect the trial balance (b) Will not affect the trial balance  
 (c) Will affect the B/S (d) None
49. Recording a transaction in a wrong book of original entry with wrong amount  
 (a) Will affect the trial balance (b) Will not affect the trial balance  
 (c) a or b (d) None
50. Sales to Ram, ₹336, were not recorded This will affect –  
 (a) Only Sales account. (b) Only Ram's account.  
 (c) Both the accounts (d) None
51. An entry of ₹ 320 has been debited to Rajesh's account as ₹ 230. It is an error of  
 (a) Commission (b) Complete Omission (c) Principle (d) Partial Omission



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52. Which of the following is not an error of principle?  
(a) ₹ 1,000 paid as cartage for office furniture debited to Cartage A/c  
(b) ₹ 4,000 paid to Mr. X credited to his A/c  
(c) ₹ 5,000 paid to Mr. Y as his salary, debited to his A/c  
(d) ₹ 10,000 paid for erection of Plant & Machinery debited to Repairs & Maintenance A/c
53. Which of the following is an error of principle?  
(a) Purchase of Plant and Machinery shown as purchase of Furniture  
(b) ₹ 1,000 received from Mr. X credited to Mr. Y A/c  
(c) ₹ 500 recovered from the debts written off, credited to the Debtors A/c  
(d) Sales return amounting to ₹ 4,000 shown in purchase day book
54. Which of the following errors is an error of omission?  
(a) Sale of ₹ 5,000 was recorded in the purchases journal  
(b) Wages paid to Mr. Y have been debited to his account  
(c) The total of the sales journal has not been posted to the sales account  
(d) Repairs to Machinery has been debited to Machinery Account
55. Purchase of office furniture worth ₹ 500 has been debited to general expense account. It is  
(a) An error of omission (b) A clerical error  
(c) An error of principle (d) A compensating error
56. Rent paid for 11 months have been recorded but for the 12<sup>th</sup> month which is outstanding has not been recorded in journal. This is an  
(a) Error of principle (b) Error of omission  
(c) Error of commission (d) Clerical error
57. Furniture which stood in the books of ₹500 was sold for ₹275 in part exchange of new furniture costing ₹875 and the net invoice of ₹600 was passed through the purchase book. The rectification of this error would result in :  
(a) increase in the profit by ₹375 (b) decrease in the profit by ₹375  
(c) decrease in the profit by ₹225 (d) increase in the profit by ₹600
58. The total of the discount column on the debit side of the cash book was under cast by ₹100 (the correct total being ₹175) and the same was wrongly posted to the credit of discount. The error would result in overstatement of profit by  
(a) ₹100 (b) ₹175 (c) ₹275 (d) ₹250
59. Rectification in next financial year is done through :  
(a) Profit & Loss A/c (b) Profit & Loss Appropriation A/c  
(c) Profit & Loss Adjustment A/c (d) None of these
60. Error of commission do not allow :  
(a) Correct totaling of balance sheet (b) Trial balance to agree  
(c) Both of these (d) None of these

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61. Which type of error occurs when credit sales is wrongly recorded in Purchase Day Book :  
(a) Error of omission (b) Error of commission (c) Compensatory error (d) Error of principle
62. Sales to Sania ₹ 175 posted to her account as ₹ 157  
(a) Errors of Omission (b) Errors of Commission (c) Errors of Principle (d) None
63. Balance in Profit & Loss Adjustment Account should be  
(a) Transferred to Capital A/c (b) Transferred to Profit & Loss A/c  
(c) Transferred to Drawings A/c (d) Transferred to Trading A/c
64. In case of rectification after Final Accounts  
(a) Expenses are to be debited / credited  
(b) Profit & Loss Adjustment is to be debited / credited  
(c) Income are to be credited / debited  
(d) None of the above
65. On rectification after Final A/c  
(a) Suspense A/c can come (b) Profit & Loss A/c can come  
(c) Profit & Loss Adjustment A/c can come (d) a & c
66. The goods sold for ₹900 but the amount was posted in the Sales A/c as ₹1,080. On Rectification, suspense account will be :  
(a) Debited By ₹180 (b) Credited by ₹180  
(c) Debited by ₹1,080 (d) Credited by ₹1,080
67. Sales of ₹1,540 to Mr. X was posted to his account as ₹1,450. To rectify the error, ₹90 will be \_\_\_\_\_ to X's Account :  
(a) Debited (b) Credited (c) Ignored (d) Either (a) or (b)
68. Which of the following errors is an error of omission?  
(a) Sale of ₹500 was recorded in the purchase journal  
(b) Wages paid to Mohan have been debited to his account  
(c) The total of the sales journal has not been posted to the Sales A/c  
(d) None of these
69. What is Rectification Entry when a cheque received from Sam is dishonoured and posted to Sales Return A/c?  
(a) Dr. Sam A/c & Cr. Sales A/c (b) Dr. Sam A/c & Cr. Sales Return A/c  
(c) Dr. Sales A/c & Cr. Sam A/c (d) Dr. Sales A/c & Cr. Sales Return A/c
70. What is the Rectification Entry when purchase of Machinery is entered in the Purchase A/c  
(a) Dr. Purchase A/c & Cr. Machinery A/c (b) Dr. Machinery A/c & Cr. Purchase A/c  
(c) Dr. Purchase A/c & Cr. Bank A/c (d) Dr. Machinery A/c & Cr. Bank A/c

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71. An old furniture was sold for ₹ 550 but the amount has been credited in the Sales A/c as ₹ 660. On rectification of this error Suspense A/c will be  
(a) Debited by ₹ 110 (b) Credited by ₹ 110  
(c) Debited by ₹ 550 (d) Credited by ₹ 650
72. Discount allowed ₹ 150 to Ram has been credited to his account as ₹ 105. The error will be rectified by  
(a) Crediting Ram by ₹ 45 (b) Debiting Ram by ₹ 45  
(c) Debiting discount by ₹ 45 (d) Crediting discount by ₹ 45
73. A return of goods worth ₹ 500 to Mr. X was entered in the Returns Inward Book. The rectification entry is  
(a) Returns inwards will be credited by ₹ 500 (b) Mr. X will be debited by ₹ 1,000  
(c) Return outwards will be credited by ₹ 500 (d) All of the above
74. Sale to Mr. X ₹ 3,000 on credit was recorded twice in the X A/c. The rectification entry is  
(a) Mr. X will be debited by ₹3,000 (b) Sales A/c will be debited by ₹ 3,000  
(c) Mr. X will be credited by ₹3,000 (d) Both b & c
75. A sum of ₹2,000 written off as bad debt now received & credited to the account of the holder would  
(a) Increase the net profit by ₹2,000 (b) Decrease the net profit by ₹2,000  
(c) Decrease the gross loss by ₹2,000 (d) Not change the profit
76. Contractor's bill for ₹3,000 for the erection of a shed was debited to repairs account. Due to rectification of this error, net profit will  
(a) Increase by ₹6,000 (b) Decrease by ₹3,000  
(c) Increase by ₹3,000 (d) No change
77. Sales to Ram, ₹336, have been debited to Shyam's account. This will be rectified by –  
(a) Debiting Ram's account and crediting Shyam's account.  
(b) Debiting Shyam's account and crediting Ram's account.  
(c) Crediting both the accounts  
(d) None
78. Cartage paid, ₹50, for the newly purchased machinery, debited to cartage account – Rectification of this error, it will affect :-  
(a) Both the cartage and machinery account. (b) Only machinery account.  
(c) Only cartage account (d) None
79. Goods purchased from A for ₹1,000, were passed through sales book. The rectification of the error will –  
(a) Increase the gross profit. (b) Decrease the gross profit.  
(c) Have no effect on the gross profit (d) None

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80. A bill receivable of ₹500 was dishonoured & credited as ₹50. The error will be rectified by –  
 (a) Crediting debtor by ₹450. (b) Crediting bills receivable by ₹450.  
 (c) Debiting bills receivable by ₹450. (d) None of the above
81. A cheque for ₹500 received from Yuvraj & Co. was dishonoured and debited to Discount Account. Due to rectification of this error, net profit will :  
 (a) Decrease by ₹1,000 (b) Increase by ₹500  
 (c) Increase by ₹1,000 (d) No change
82. Sale to Mr. Z of ₹3,000 on credit was recorded twice in the sales book. The rectification entry is :  
 (a) Mr. Z will be credited by ₹3,000 (b) Mr. Z will be debited by ₹3,000  
 (c) Sales account will be debited by ₹3,000 (d) Both a & c
83. An amount of ₹6,000 due from Anshul, which had been written off as a bad debt in a previous year, was unexpectedly recovered and had been posted to his personal account. The rectification entry is :  
 (a) Anshul Account Dr. ₹6,000  
     To Suspense A/c ₹6,000  
 (b) Suspense Account Dr. ₹6,000  
     To Bad debts Recovered A/c ₹6,000  
 (c) Anshul Account Dr. ₹6,000  
     To Bad debts Recovered Account ₹6,000  
 (d) No entry will be made
84. Sale to Mr. A ₹ 100 was recorded twice in sales book. The rectification entry is  
 (a) Sales A/c Dr. 100  
     To A's A/c 100  
 (b) Sales A/c Dr. 100  
     To Purchase 100  
 (c) A's A/c Dr. 100  
     To Sales A/c 100  
 (d) A's A/c Dr. 200  
     To Sales A/c 200
85. Dividend received ₹ 1,000 was posted to debit of Dividend A/c. The rectification entry is  
 (a) Suspense A/c Dr. 1,000  
     To Dividend A/c 1,000  
 (b) Dividend Paid Dr. 4,000  
     To Dividend A/c 4,000  
 (c) Suspense A/c Dr. 2,000  
     To Dividend A/c 2,000  
 (d) Dividend A/c Dr. 4,000  
     To Suspense A/c 4,000

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86. Cheques paid to Mr. A ₹5,000 was debited to B for ₹50,000. The rectification entry is

- |                  |     |        |                 |
|------------------|-----|--------|-----------------|
| (a) Suspense A/c | Dr. | 45,000 |                 |
|                  |     |        | To Bank A/c     |
|                  |     |        | 45,000          |
| (b) A's A/c      | Dr. | 45,000 |                 |
|                  |     |        | To B's A/c      |
|                  |     |        | 45,000          |
| (c) A's A/c      | Dr. | 45,000 |                 |
|                  |     |        | To Suspense A/c |
|                  |     |        | 45,000          |
| (d) Suspense A/c | Dr. | 45,000 |                 |
|                  |     |        | A's A/c         |
|                  |     |        | Dr.             |
|                  |     |        | 5,000           |
|                  |     |        | To B's A/c      |
|                  |     |        | 50,000          |

87. Interest received Rs. 200 was posted as ₹1,000. The rectification entry is

- |                       |     |       |                 |
|-----------------------|-----|-------|-----------------|
| (a) Interest A/c      | Dr. | 200   |                 |
|                       |     |       | To Dividend A/c |
|                       |     |       | 200             |
| (b) Interest A/c      | Dr. | 800   |                 |
|                       |     |       | To Suspense A/c |
|                       |     |       | 800             |
| (c) Suspense A/c      | Dr. | 1,000 |                 |
|                       |     |       | To Interest A/c |
|                       |     |       | 1,000           |
| (d) None of the above |     |       |                 |

88. ₹881 received from Mr. X is credited to his account as ₹818 the rectifying entry will be

- |                  |     |        |                 |
|------------------|-----|--------|-----------------|
| (a) Suspense A/c | Dr. | ₹881   |                 |
|                  |     |        | To X A/c        |
|                  |     |        | ₹881            |
| (b) X A/c        | Dr. | ₹818   |                 |
|                  |     |        | To Suspense A/c |
|                  |     |        | ₹818            |
| (c) Suspense A/c | Dr. | ₹1,699 |                 |
|                  |     |        | To X            |
|                  |     |        | ₹1,699          |
| (d) Suspense A/c | Dr. | ₹63    |                 |
|                  |     |        | To X            |
|                  |     |        | ₹63             |

89. A cheque of ₹1,000 received from Ramesh was dishonoured and had been posted to the debit of Sales Return account. Rectifying journal entry will be :

- |                      |     |       |                     |
|----------------------|-----|-------|---------------------|
| (a) Sales return A/c | Dr. | 1,000 |                     |
|                      |     |       | To Ramesh A/c       |
|                      |     |       | 1,000               |
| (b) Ramesh A/c       | Dr. | 1,000 |                     |
|                      |     |       | To Sales return A/c |
|                      |     |       | 1,000               |
| (c) Sales return A/c | Dr. | 1,000 |                     |
|                      |     |       | To Suspense A/c     |
|                      |     |       | 1,000               |
| (d) None of these    |     |       |                     |

## IDEAL / CPT / ACCOUNTS / RECTIFICATION OF ERRORS

90. Cash sales of ₹45 was not recorded at all ? The rectifying entry will be.

- (a) Cash A/c                      Dr.     45  
                    To Sales A/c    45
- (b) Suspense A/c     Dr.     45  
                    To Sales A/c    45
- (c) Cash A/c                      Dr.     45  
                    To Suspense A/c    45
- (d) None of the above

91. Purchased goods for the personal use of the proprietor ₹1,300, debited to purchases account, the rectifying entry will be :

- (a) Suspense A/c                      Dr.     1,300  
                    To Purchases A/c    1,300
- (b) Drawings A/c                      Dr.     1,300  
                    To Cash A/c    1,300
- (c) Drawings A/c                      Dr.     1,300  
                    To Purchases A/c    1,300
- (d) None of the above

92. A cheque for ₹1,250 received as insurance claim for loss of goods in transit at the time of import was deposited by the proprietor in his private bank account. The full value of the invoice was passed through the purchases day book. The rectification entry would be :

- (a) Drawing A/c                      Dr.     ₹1,250  
                    To Purchase A/c    ₹1,250
- (b) Cash A/c                      Dr.     ₹1,250  
                    To Purchase A/c    ₹1,250
- (c) Cash A/c                      Dr.     ₹1,250  
                    To Insurance Co.    ₹1,250
- (c) Cash A/c                      Dr.     ₹1,250  
                    To Profit and Loss A/c    ₹1,250

93. Following errors have been rectified at the end of the year:

- (i) The return inward book was undercast by ₹150.  
(ii) The return outward book was overcast by ₹1,000.  
(iii) A payment of ₹1,500 on account of salaries has been posted twice in the salaries account although entered correctly in the cashbook.

The above errors if rectified, will give correct trial balance. Before rectification, balance of suspense account was

- (a) ₹150 (Dr.)                      (b) ₹1,150 (Dr.)                      (c) ₹350 (Cr.)                      (d) ₹1,500 (Cr.)