

# 14

## RECTIFICATION OF ERRORS

### Problem No. 1

Date	Particulars	L.F.	Debit	Credit
			Rs.	
(a)	Sales Returns A/c To Rashid Being the entry necessary to record the goods returned by him.		2000	2000
(b)	Mr. Hamid To Mr. Irshad Being the rectification of the wrong credit given.		3000	3000
(c)	Repairs A/c To Machinery A/c Rectification of the Repairs of Machinery was wrongly debited to Machinery A/c.		1000	1000
(d)	Interest A/c To Commission A/c Commission Received but wrongly credited to interest account rectified.		125	125
(e)	Furniture A/c To purchases A/c Being the Rectification of Furniture purchased was charges to purchases.		15000	15000

## Problem No. 2

Date	Particulars	L.F.	Debit	Credit
			Rs.	Rs.
(a)	Drawing A/c To salaries A/c Rectification of the Drawing wrongly charged to salaries Account.		1,000	1,000
(b)	Salaries A/c To Manager personal A/c Rectification of the salaries paid wrongly debited to his Account.		500	500
(c)	Plant and Machinery A/c To wages A/c Rectification of the wrong debit given to wages Account.		10,000	10,000
(d)	Sundry creditors A/c To purchases A/c Rectification of the amount paid to creditors have been debited to purchases Account.		20,000	20,000
(e)	Debtors personal A/c To provision for bad debts A/c Being the Rectification of the wrong credit given to the debtors personal Account.		800	800



## Problem No. 3

Date	Particulars	L.F.	Debit	Credit
			Rs.	
(a)	Building A/c To Repairs A/c Capital expenditure wrongly charged to Repairs.		30,000	30,000
(b)	Office equipment A/c To Purchases A/c Rectification of the wrong debit given to the purchases Account.		2,000	2,000
(c)	Discount A/c To Reserve A/c Rectification of the wrong debited given to Reserve A/c		200	200
(d)	A. Karim To Allowance A/c Rectification of the wrong debit given to allowance Account.		1,000	1,000
(e)	Creditors A/c To Purchases A/c Rectification of the wrong debit given to purchases account.		15,000	15,000

**Problem No. 4**

Date	Particulars	L.F.	Debit	Credit
(a)	Sales a/c To purchase a/c Being the rectification of the wrong credit given to sales account.		1,500	1,500
(b)	Purchases a/c Sales a/c To Saleem Being the rectification of the goods purchased wrongly credited to sales account.		500 500	1,000
(c)	Karim a/c To Sales a/c To Purchases a/c Being the rectification of the goods sold wrongly debited to purchase a/c		600	300 300
(d)	Sales a/c To plant and machinery a/c Rectification of the wrong credit given to Sales a/c		10,000	10,000
(e)	Partner To Customer Rectification of the wrong credit given to partner.		9,000	9,000



## Problem No. 5

S. No.	Particulars	L.F	Debit	Credit
(i)	Suspense a/c To Sales Rectification of the undercasting of the Sales Book		1000	1000
(ii)	Purchases a/c To suspense a/c Rectification of the undercasting of the purchase Book		2000	2000
(iii)	Sales a/c To suspense a/c Rectification of the recasting of the Sales Book		1500	1500
(iv)	Suspense a/c To Purchases a/c Rectification of the recasting of the purchase Book.		4500	4500
(v)	Returns Inwards a/c To Suspense a/c Rectification of the undercasting of the Returns inwards		2600	2600
(vi)	Suspense a/c To Returns outwards a/c Rectification of the undercasting of the Returns outstanding a/c		3000	3000
(vii)	Suspense a/c To Returns Inwards a/c Rectification of the reacting of the Returns Inwards a/c		1800	1800
(viii)	Returns outwards a/c To Suspense a/c Rectification of the recasting of the returns outwards		1000	1000



**Problem No. 6**

Date	Particulars	L.F	Debit	Credit
(a)	Drawing /c To General expenses A/c Owner's drawings wrongly debited to general expenses Account.		Rs. 500	500
(b)	Purchases A/c To suspense A/c Rectification of the undercasting of the purchase Journal.		200	200
(c)	Suspense A/c To wages A/c To Rectify double posting to wages Account.		2,200	2,200
(d)	Sales A/c To suspense A/c Rectification of the overcasting of the sales Journal.		300	300
(e)	Discount allowed A/c To suspense A/c Rectify under debit discount Account.		10	10
(f)	Sales Returns A/c To suspense A/c Carry forward in sales returns Journal was rectified.		36	36

**SUSPENSE ACCOUNT**

Particulars	Rs.	Particulars	Rs.
To Balance b/d	360	By purchases Account	200
To Wages Account	2,200	By Sales Account	300
		By Discount Account	24
		By Sales Returns	36
		By Balance c/d	2,000
Total:	2,560	Total:	2,560



## Problem No. 7

Date	Particulars	L.F	Debit	Credit
			Rs.	
(a)	Saleem To Allowance A/c Rectification of the amount of dishonoured cheques was wrongly charged to Allowance Account.		1,000	1,000
(b)	Petty cash A/c To suspense A/c Correction of omission of balance Rs. 21		21	21
(c)	Repairs A/c To plant and Machinery A/c To Suspense A/c Rectification of Repairs of Rs. 110 debited to plant and Machinery Account as Rs. 110.		110	110 9
(d)	Returns Inwards A/c To suspense A/c Rectification of understanding of Returns Inward book.		50	50
(e)	Suspense A/c To Mr. X Rectification of the purchase of Rs. 1,500 from Mr. X was wrongly debited to him.		300	300

## SUSPENSE ACCOUNT

To Mr. X	3,000	By difference in books	2,920
		By petty cash	21
		By Repairs Account	9
		By Returns Inwards	50
Total:	3,000	Total:	3,000

## Problem No. 8

Date	Particulars	L.F	Debit	Credit
			Rs.	
(i)	Salaries A/c To Rent A/c Rectification of wrong debit given to rent account		10,000	10,000
(ii)	Suspense A/c To Discount A/c Rectification of discount Received wrongly debited to discount account		200	200
(iii)	Furniture A/c To Purchases A/c Rectification of wrong debit given to the purchases account.		12,000	12,000
(iv)	Ali To Sales A/c To Purchases A/c Rectification of the goods sold to Ali wrongly debited to the purchases account		2,000	1,000 1,000
(v)	Purchases A/c To Suspense A/c Rectification of the undercasting of the purchase a/c.		1,000	1,000



## Problem No. 9

S. No.	Particulars	L.F	Debit	Credit
(a)	Drawings A/c To Miscellaneous Exp. A/c Rectification of the wrong debit given to miscellaneous expenses.		50000	50000
(b)	Furniture A/c To Carriage A/c Rectification of the wrong debit given to carriage A/c		100	100
(c)	Drawings A/c To Electricity A/c Rectification of the wrong debit given to Electricity A/c		300	300
(d)	Premises A/c To Furniture A/c Rectification of the wrong debit given to Furniture A/c		1000	1000
(e)	Repairs A/c To Manufacturing Wages Rectification of the wrong debit given to Manufacturing A/c		100	1000
(f)	Debtor A/c To Suspense A/c Rectification of the omission of the customer from the list of the debtor		1000	1000
(g)	Sales A/c To Suspense A/c Rectification of the omission of the excess credit given to Sales A/c		18	18

**Problem No. 10**

S. No.	Particulars	L.F	Debit	Credit
(a)	Sales A/c To Plant and Machinery A/c Rectification of the wrong credit given to Sales A/c		5000	5000
(b)	Suspense A/c To Mr. Rashid Rectification of the goods purchased from Rashid wrongly debited to his A/c		63	63
(c)	Accrued Interest on Investment A/c To Interest A/c Rectification of the Accrued Interest now recorded		1000	1000
(d)	Suspense A/c To Discount Discount received posted to the wrong side corrected.		200	200
(e)	Kaleem To Karim Rectification of the wrong credit given to Kaleem		2000	2000
(f)	Drawing A/c To Trade Expenses A/c Rectification of the wrong debit given to Trade Expenses A/c.		2000	2000



## Problem No. 11

S. No.	Particulars	L.F	Debit	Credit
(a)	Repairs A/c To Building A/c Rectification of the wrong debit given building account.		2000	2000
(b)	Sales Return A/c To Customer Rectification of the goods returned by customer recorded.		585	585
(c)	M. Saleem To Suspense A/c Rectification of the Saleem debit balance now recorded		1930	1930
(d)	Stationery A/c To Suspense A/c Rectification of the less debit govt. stationery.		140	140
(e)	Sales A/c To Smith A/c Rectification of the wrong credit given to Sales account.		3000	300
(f)	Suspense A/c To Bank overdraft Rectification of the less credit given to bank overdraft.		10	10



**Problem No. 12**

S. No.	Particulars	L.F.	Debit	Credit
(a)	Creditors A/c To Purchases A/c Purchases account has been wrongly recorded now rectified.		200	200
(b)	Suspense A/c To Sales A/c Sales book has been undercasted.		1,100	1,100
(c)	Rahim & sons To Suspense A/c Rahim & sons has been overcasted		378	378
(d)	Discount A/c To Cash A/c Amount was wrongly entered in discount column now rectified.		500	500
(e)	Sales A/c To suspense A/c Sales book was overcastted now rectified.		100	100

**Problem No. 13**

Date	Particulars	L.F.	Debit	Credit
(a)	M. Fahad To suspense A/c Rectification of wrong debit by Rs. 50 instead of Rs. 250		Rs. 200	200
(b)	Machinery A/c To Purchases A/c Rectification of the wrong debit given to purchases Account.		1,250	1,250
(c)	Suspense A/c To Purchases A/c Purchase book overadded.		400	400
(d)	Sales Return A/c To Suspense A/c Rectification of Sales Return book added Rs. 200 short.		200	200



## Effect on Profit

ITEM	INCREASE	DECREASE
(a)	—	—
(b)	1,250	—
(c)	400	—
(d)	—	200
	<u>1,650</u>	<u>200</u>
Net Effect	= 1650 - 200	= 1450
The adjusted Net Profit would be	= (27,879 + 1,450) =	Rs. 29,320

## Problem No. 14

S. No.	Particulars	L.F.	Debit	Credit
(a)	Unexpired Insurance A/c To Insurance A/c Being the amount of Unexpired Insurance taken into account.		300	300
(b)	Machine A/c To wages A/c Rectification of the Wrong debit given to Wages Account.		1,100	1,100
(c)	Reserve for Bad debts A/c To Profit and loss A/c Excess Reserve transferred to Profit and loss Account.		800	800
(d)	Sales Return A/c To Rahim A/c Omission of sales Return Recorded.		500	500
(e)	Drawing A/c To Purchases A/c Rectification of the goods Taken as drawing recorded.		700	700

## Adjust Profit and Loss Account

ITEM	INCREASE	DECREASE
(a)	300	—
(b)	1100	—
(c)	800	—
(d)	—	500
(e)	700	—
	<u>2900</u>	<u>500</u>
Net Increase	= 2900 - 500	= 2400
Adjusted Profit	= 7000 + 2400	= 9400



## Problem No. 15

S. No.	Particulars	L.F	Debit	Credit
(a)	Sales A/c To Suspense A/c Rectification of the wrong credit given to sales A/c		2,000	2,000
(b)	Commission A/c To Suspense A/c Rectification of the commission paid wrongly credit to commission A/c		2,000	2,000
(c)	Suspense A/c To Aleem Rectification of the credit not given to Aleem credited to Aleem A/c		1,200	1,200
(d)	Purchase A/c To Suspense A/c Rectification of the undercasting of the purchase book		3,500	3,500
(e)	Machinery A/c To Wages A/c Rectification of the wrong debit given to wages A/c		1,500	1,500
(f)	Sales Returns A/c To Suspense A/c Rectification of the undercasting of the sales returns book		1,000	1,000

## Suspense Account

(d)	To Aleem	1,200	(a)	By Sales A/c	2,000
			(b)	" Commission A/c	2,000
			(d)	" Purchase A/c	3,500
	" Difference T.B	7,300	(f)	" Sales A/c	1,000
		8,500			8,500

## Effect On Net Profit After Rectification of Error

S. No.	Increase In Profit	Decrease In Net Profit
(a)	-----	2,000
(b)	-----	2,000
(c)	No Effect	No Effect
(d)	-----	3,500
(e)	1,500	-----
(f)	-----	1,000
	1,500	8,500

Decrease in Net Profit	Rs. 7,000
Profit before rectification	Rs. 60,500
Less Net decrease in Profit	Rs. 7,000
Correct Profit	Rs. 53,500