

Workbook

Page 185, Chapter 10, Activity 1

Under 'Rent' in column 4, the period is "Three months to end of 31 March **20X7**" (and not 31 March 20X**8**).

Page 234, Chapter 13, Activity 1

The words 'output' and 'input' should be swapped so that the solution should read:

	\$
Output tax (from sales)	37.00
Input tax (on purchases)	(15.00)
Net due to tax authorities	22.50

E-book version only: Page 574, Further question practice, Question 44

The scenario should be included at the start of the question as follows:

Gamma Co prepares its financial statements for the year to 30 September each year. The company pays rent for its premises quarterly in advance on 1 February, 1 May, 1 August and 1 November each year. The annual rent was \$120,000 per year until 30 April 20X8. It was increased from that date to \$144,000 per year.

E-book version only: Page 613, Further question practice, Question 100 part (b)

The NCI share of the profit should be calculated on the profit of the subsidiary and not the profit of the group.

The correct answer is:

b) \$ 1,784.25

Working

Profit attributable to:

	\$m
Owners of the parent (bal. fig.)	1,784.25
Non-controlling interest ((25% × \$780) – \$0.25)	194.75
	1,979.00

Further question practice (Online edition of the Workbook)

Page 608, Question 60

The solution should be amended to show the balance per the general ledger account as a positive balance. It should read:

The correct answer is: \$3,670 **Dr**

The key thing to notice here is that the opening balance is an overdraft so you are starting with a negative figure:

Opening balance	\$(3,860)
Less unpresented cheques	\$(9,160)
Add outstanding lodgements	\$16,690
Overdrawn Closing balance	\$3,670

Practice and Revision Kit

Page 13 and page 198 Question 3.12

Throughout this task the phrase 'debit notes' needs to be replaced with 'credit notes'.

Question

In which book of prime entry will a business record **credit** ~~debit~~ notes in respect of goods which have been sent back to suppliers?

- The sales returns day book
- The cash book
- The purchase returns day book
- The purchase day book

Solution

The solution should read:

'Credit notes sent to suppliers are recorded in the purchase returns day book.'

The correct answer is: The purchase returns day book

Credit ~~Debit~~ notes sent to suppliers are recorded in the purchase returns day book.

Page 14 Question 3.13

Option 2 should read "\$271,450 **CREDIT**"

Page 222 Question 11.11

On the first line of the working, the receivables allowance should read 5% of \$20,000 and not 15% of \$20,000:

Receivables allowance at 31.12.X1 (~~15~~ **5**% of \$20,000) = \$1,000

Page 243 Question 18.8

This sentence should be removed "Sales returns had been debited in error to the purchases returns account" and replaced with "\$9,500 paid for rent was debited to the rent account as \$5,900".

Page 326 Mock Exam 1, Question 19

‘General administrative overheads’ should not be shown as a correct answer.

The correct answers are:

- Carriage inwards
- Depreciation of factory plant

Page 329 Mock Exam 21, Question 36b - answer to statement two

The answer to the statement two should read ‘NO’ instead of ‘YES’.

Greater than 50% of the preference shares being held by an investor		NO
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