

**11**

## **ERRORS AND THEIR RECTIFICATION**

You did not take your studies seriously that is why you could not get good marks. You committed an error. You fell in some bad company. You may commit many such errors in your day to day life. Similarly, an accountant can also commit errors while recording business transactions in books of accounts, in their posting or balancing the accounts and so on. These errors should be located and corrected as soon as possible so that accounts give true and fair results of the operations of the business enterprise. You have learnt that in case Trial Balance does not agree it means there are some accounting errors. There can be some errors which do not affect the Trial Balance i.e. trial balance still tallies. In this lesson you will learn about locating, classifying and analysing accounting errors and their rectification.



### **OBJECTIVES**

After studying this lesson you will be able to :

- state the meaning of accounting error and method of location of the accounting error/errors;
- classify the accounting errors;
- explain the meaning and methods of rectification of errors;
- prepare suspense account.

### **11.1 MEANING OF ACCOUNTING ERROR AND THEIR LOCATION**

In our life we make many mistakes. As soon as these are detected, he/she corrects them. In the similar manner, an accountant can also make mistakes



or commit errors while recording and posting transactions. These are called 'Accounting Errors'. So accounting errors are the errors committed by persons responsible for recording and maintaining accounts of a business firm in the course of accounting process. These errors may be in the form of omitting the transactions to record, recording in wrong books, or wrong account or wrong totalling and so on.

**Accounting errors can take the following forms:**

- Omission of recording a business transaction in the Journal or Special purpose Books
- Not posting the recorded transactions in various books of accounts to the respective accounts in ledger
- Mistakes in totalling or in carrying forward the totals to the next page
- Mistake in recording amount wrongly, writing it in a wrong account or on the wrong side of the account.

Again there may be two types of accounting errors (i) That cause the disagreement of trial balance, (ii) That do not affect the agreement of Trial Balance.

**Locating Errors**

It is obvious that if there are errors they must be located at the earliest. After locating the errors, they are to be rectified. In accounting also once it is established there are some accounting errors these need to be located and detected as early as possible. How to locate the errors?

Steps to be taken to locate the accounting errors can be stated as follows:

**(A) When the Trial Balance does not agree**

- (i) Check the columnar totals of Trial Balance
- (ii) Check that the balances of all accounts (including cash and bank balances) in the ledger have been written and are written in the correct column of trial balance i.e. debit balance in the debit column and credit balance in the credit column.
- (iii) Find the exact figure of difference with trial balance and see that:



- (a) No account of a similar balance has been omitted to be shown in the Trial Balance or
  - (b) A balance amount which is half of the amount of difference amount but is written on the wrong side of the trial Balance.
- (iv) Recheck the totals of Special Purpose Books.
- (v) Check the balancing of the various accounts in the ledger.
- (vi) If difference is still not traced, check each and every posting from the Journal and various Special Purpose Books, one by one in the ledger.

**(B) When the Trial Balance agrees.**

You have already learnt that if the totals of the two amount columns of trial balance tally it is no conclusive proof of the accuracy of accounts. There may still be some accounting errors. These errors may not be immediately traced but may be detected at much later stage. These are rectified as and when detected.

Following are the errors which don't affect the trial balance :

- (i) Omission to record a transaction in a journal or in a Special Purpose Book. For example, goods purchased on credit but are not recorded in the Purchases Book at all.
- (ii) Recording a wrong amount of an item in journal or in a Special Purpose Book. For example, sale of Rs. 2550 on credit entered in the Sales Book as Rs.5250.
- (iii) Posting the correct amount on the correct side but in wrong account. For example, cash received from Jagannathan was credited to Vishvanathan.
- (iv) An item of Capital Expenditure recorded as an item of Revenue Expenditure and vice-a-versa. For example, Repairs to Building was debited to Building A/c.

Why does the trial balance still agree though there may be above stated errors? Reason is that in the above cases the debits and credits are affected simultaneously by the same amount.



Notes

**INTEXT QUESTIONS 11.1**

Do the following errors affect the trial balance or do not affect the trial balance? Write 'Yes' if it affects and 'No' if does not affect.

1. Sold goods of Rs.3200 to Anil Nayar, but it is not entered in the Sales Book.
2. Purchased goods of Rs.2400 from Simran and is correctly entered in the Purchases Book but posted to the credit of her account in the ledger as Rs.3400.
3. Total of the Purchases Book is incorrect.
4. An amount of repair to building is debited to Building Account.

**11.2 CLASSIFICATION OF ACCOUNTING ERRORS**

Various accounting errors can be classified as follows :

- A. On the basis of their nature
  - (a) Errors of omission
  - (b) Errors of commission
  - (c) Errors of principle
- B. On the basis of their impact on ledger accounts
  - (a) One sided errors
  - (b) Two sided errors.

**A. On the basis of their nature**

- (a) Errors of omission

As a rule, a transaction is first recorded in books of accounts. However, accountant may not record it at all or record it partially. It is called an error of omission. For example, goods purchased on credit are not recorded in Purchases Book or discount allowed to a customer was not posted to Discount A/c in the ledger.

In the first case it is a complete omission. Therefore, both debit and credit are affected by the same amount. Therefore, it does not affect the Trial Balance.

The second example is the example of partial omission. It affects only one account i.e. Discount A/c. Therefore it affects Trial Balance.

**Notes****(b) Errors of commission**

When the transaction has been recorded but an error is committed in the process of recording, it is called an error of commission. Error of commission can be of the following types:

(i) Errors committed while recording a transaction in the Special Purpose books. It may be :

- Recording in the wrong book for example purchase of goods from Rakesh on credit is recorded in the Sales Book and not in the Purchases Book.
- Recording in the book correctly but wrong amount is written. For example, goods sold to Shalini of Rs.4200 was recorded in the Sales Book as Rs.2400

In the above two cases two accounts are affected by the same amount, debit of one and the credit of the other. Therefore, trial balance will not be affected.

(ii) Wrong totalling : There may be a mistake in totalling Special Purpose Book or accounts. The totalled amounts may be less than the actual amount or more than the actual amount. First is a case of undercasting and the other of overcasting. For example, the total of Purchases Book is written as Rs.44800 while actual total is Rs. 44300, the total of Sales Day Book is written as Rs.52500 while it is Rs.52900.

It is a case of an error affecting one account hence it affects trial balance.

(iii) Wrong balancing : While closing the books of accounts at the end of the accounting period, the ledger accounts are balanced. Balance is calculated of the totals of the two sides of the account. It may be wrongly calculated. For example, the total of the debit column of Mohan's A/c is Rs.8600 and that of credit column is Rs.6800. The balance calculated is as Rs.1600 while the actual balance is Rs.1800.

It has affected one account only, therefore, the Trial Balance gets affected.

(iv) Wrong carry forward of balances or totals : Totals or balances are carried forward to the next page. These may be carried forward incorrectly. For example, the total of one page of the Purchases Book. of Rs.35,600 is carried to next page as Rs.36500.

Again the error affects one account only. Therefore, Trial Balance gets affected.

**Notes**

(v) **Wrong Posting** : Transactions from the journal or special purpose books are posted to the respective accounts in the ledger. Error may be committed while carrying out posting. It may take various forms such as, posting to wrong account, to the wrong side of the account or posted twice to the same account. For example goods purchased of Rs.5400 from Rajesh Mohanti was posted to the debit of Rajesh Mohanti or posted twice to his account or posted to the credit of Rakesh Mohanti.

In the above examples, only one account is affected because of the error therefore, Trial Balance is also affected.

**Compensating Errors**

Two or more errors when committed in such a way that there is increase or decrease in the debit side due to an error, also there is corresponding decrease or increase in the credit side due to another error by the same amount. Thus, the effect on the account is cancelled out. Such errors are called compensating errors. For example, Sohan's A/c is debited by Rs 2500 while it was to be debited by Rs 3500 and Mohan's A/c is debited by Rs 3500 while the same was to be debited by Rs 2500. Thus excess debit of Mohan's A/c by Rs.1000 is compensated by short credit of Sohan's A/c by Rs.1000.

As the debit amount and the credit amount are equalised, such errors do not affect the agreement of Trial Balance, but the fact remains that there is still an error.

**(c) Error of Principle**

Items of income and expenditure are divided into capital and revenue categories. This is the basic principle of accounting that the capital income and capital expenditure should be recorded as capital item and revenue income and revenue expenditure should be recorded as revenue item. If transactions are recorded in violation of this principle, it is called error of principle i.e. the capital item has been recorded as revenue item and revenue item is recorded as capital item. For example, Rs. 5000 spent on the repairs of building is debited to Building A/c while it should have been debited to Repair to Building A/c. It is a case of error of principle because expenditure on repairs of building is a revenue expenditure, while it has been debited to Building A/c taking it as an item of capital expenditure.

As both the sides i.e. credit as well as debit remain affected, the trial Balance also is not affected by such errors.



**Notes**

**B. On the basis of impact on ledger accounts**

Errors may affect one side i.e. either debit or credit side of an account or its two sides i.e. both debit and credit thus errors may be divided as:

- (a) One sided errors
- (b) Two sided errors
- (a) One sided errors

Accounting errors that affect only one side of an account which may be either its debit side or credit side, is called one sided error. The reason of such error is that while posting a recorded transaction one account is correctly posted while the corresponding account is not correctly posted. For example, Sales Book is overcast by Rs.1000. In this case only Sales A/c is wrongly credited by excess amount of Rs.1000 while the corresponding account of the various debtors have been correctly debited. Another example of one sided error is Rs 2500 received from Ishita is wrongly debited to her account. In this case, only Ishita's account is affected, amount in the cash-book is correctly written. This type of mistake does affect the trial balance.

- (b) Two sided errors

The error that affects two separate accounts, debit side of the one and credit side of the other is called two sided error. Example of such error is purchase of machinery for Rs.1000 has been entered in the Purchases Book. In this case, Purchases A/c is wrongly debited while Machinery A/c has been omitted to be debited. So two accounts i.e. Purchases A/c and the Machinery A/c are affected.



**INTEXT QUESTIONS 11.2**

Following are the accounting errors. Write against each error the type i.e. error of omission, error of principle, compensatory error, error of commission as per the nature of error:

- (i) Purchase of Furniture is entered in the Purchase Book  
(Error of .....)
- (ii) Repairs of building is debited to Building A/c. (Error of .....)
- (iii) Sales Book is totalled Rs 15000 instead of its 14600.  
(Error of .....)
- (iv) Mohan's A/c was to be debited by Rs 4500 and Sohan A/c was to be debited by Rs. 5500 while Mohon's A/c was debited by Rs. 5500 and that of Sohan's A/c by Rs. 4500. (Error of .....)



### 11.3 RECTIFICATION OF ACCOUNTING ERRORS

By now you must have understood well that every business enterprise prepares its financial statements to provide information of profit earned or loss incurred by it during an accounting period and its financial position on the relevant date. This information will be most useful only if the information is accurate. How can the business concern achieve this objective if there are number of errors in the accounting? Your immediate response will be that errors in accounts should be detected at the earliest and be corrected before preparing the financial statements.

It should be clear in your mind that the errors should never be rectified by erasing or overwriting because it will encourage manipulations and frauds in accounts.

In accounting practice there are some definite methods to rectify the accounting errors. These are based on accounting practices and procedures. Rectification of errors using these methods is called rectification of accounting errors. So it is a process of rectification. It is generally done by passing an entry to nullify the effect of error.

#### Methods of rectification of accounting errors

Before preparing Trial Balance

- (i) instant correction
- (ii) correction in the affected account

After preparing Trial Balance

Before preparing Trial Balance

- (i) Instant correction

If the error is detected immediately after making an accounting entry, it may be corrected by neatly crossing out the wrong entry and making the correct entry and the accountant should put his initials. For example, an amount of Rs. 3500 is written as Rs. 5300. This can be corrected as 3500.

- (ii) Correction in the affected accounts.

In case error is detected on a date later than the date on which the transaction was recorded but before the Trial Balance, the rectification will be made by making a correction in the affected account. A few Illustrations of accounting errors corrected by this method are as follows :



**Illustration 1**

Purchases book is overcast for the month of July, 2006 by Rs 8000.

**Solution.**

Accounts Affected

The total of the Purchase Book is posted to the debit of Purchase A/c. Therefore Purchase A/c is affected.

**Rectification:**

To nullify the effect of the error, the entry of Rs 8000 will be made on the credit side of the Purchase A/c. With the words written as. “The amount of Purchase Book is overcast for the month of July 2006.”

Notes

Purchase A/c							
Dr				Cr			
Date	Particulars	F	Amount (Rs.)	Date	Particulars	F	Amount (Rs.)
					Amount as per Purchase Book, for the month of July, 2006		8000

**Illustration 2**

A sum of Rs 1200 paid to Ashok has been wrongly credited to his account.

**Solution.**

**Accounts affected**

Ashok A/c is affected because his account has been credited instead of being debited.

**Rectification**

In this case Ashok A/c is to be debited to nullify the effect of its being wrongly credited at the same time it is to be debited for cash payment. Rectification is done as under :

Ashok A/c							
Dr				Cr			
Date	Particulars	F	Amount Rs	Date	Particulars	F	Amount Rs
	Amount Paid wrongly Credited		2400		Cash A/c		1200



**Notes**

**Illustration 3**

Purchase of furniture of Rs 5000 was entered in the Purchases Book.

**Solution.**

**Accounts affected**

Furniture Account and Purchases account have been affected. Furniture Account has been omitted to be debited while Purchases account is wrongly credited.

**Rectification**

In this case Purchases account is credited to nullify as it is wrongly credited as furniture account is debited in it was to be debited but was omitted.

**Furniture A/c**

Dr				Cr			
Date	Particulars	F	Amount Rs.	Date	Particulars	F	Amount Rs.
2006							
Jan 15	Amount transferred Purchase A/c		5000				

**Purchase A/c**

Dr				Cr			
Date	Particulars	F	Amount Rs.	Date	Particulars	F	Amount Rs.
				2006			
				Jan 15	Amount transferred to Furniture		5000

**Rectification Through Journal entry**

In case of the above illustration journal entry for rectification made is :

			Dr.	Cr.
Date	Particulars	LF	Amount Rs	Amount Rs
2006				
Jan 15	Furniture A/c To Purchase A/c (Furniture purchased on credit is wrongly entered in the purchases Book is now corrected)		5000	5000



Notes

**Illustration 4**

Amount of Rs 15000 received from Govind was credited to Har Govind.

**Solution.**

The two accounts affected are Govind's A/c which is not credited and Har Govind's A/c which is wrongly credited.

**Rectification entry in Journal is :**

Har Govind A/c	Dr	15000	
To Govind A/c			15000

(Amount received from Govind wrongly credited to Har Govind is now rectified.)

**Illustration 5**

Following are some accounting errors. Rectify them by making journal entries :

- (i) Sales for Rs.20000 made to Malvika was not entered in the Sales Book.
- (ii) Salary of Rs.7500 paid to Accountant Raman was debited to his personal account
- (iii) Old furniture sold for Rs.2800 was entered in the Sales Book.
- (iv) Carriage paid Rs.500 on purchase of a Machine was debited to Carriage A/c
- (v) Cash Rs.50000 paid to the creditor Atulya Ghosh was debited to Praful Ghosh's A/c

**Solution :**

**Journal.**

Date	Particulars	Amount Rs	Amount Rs
(i)	Malvika <span style="float: right;">Dr</span>	20000	
	To Sales A/c		20000
	(Sale to Malvika omitted to be entered in Sales Book is corrected)		



**Notes**

(ii)	Salary A/c	Dr	7500	
	To Raman			7500
	(Salary paid to Raman was debited to his personal account is now corrected)			
(iii)	Sales A/c	Dr	2800	
	To Furniture A/c			2800
	(Old furniture sold was entered in the sales Book is now corrected)			
(iv)	Machine A/c	Dr	500	
	To Carriage A/c			500
	(Amount paid for carriage on purchase of machine is debited to carriage A/c is now corrected)			
(v)	Atulya Ghosh	Dr	50000	
	To Praful Ghosh			50000
	(Amount paid to Atulya Ghosh was debited to Praful Ghosh is corrected)			



**INTEXT QUESTIONS 11.3**

- Cash received from Ashok Rs 2500 were posted to his account as Rs.5200. Accountant erased amount of Rs 5200 and wrote Rs 2500 in its place. Is he justified in doing so?
- Accountant corrected an error of writing Rs 7200 instead of Rs 5200 in the following manner, is he justified to do so?  

$$\begin{array}{r} \text{Rs } 7200 \\ \text{Rs } 5200 \end{array}$$
- Total of the Sales Book was overcast by Rs 1000. Accountant corrected the error in the following manner :  
 Amount as per Sales Book Rs.1000  
 On which side of the Sales A/c he should write the above amount?
- Wages paid of Rs.1200 were omitted to be recovered in the Cash Book. What journal entry will be made to rectify the error?



Notes

### 11.4 RECTIFICATION OF ERRORS THROUGH SUSPENSE ACCOUNT

You have learnt that the Trial Balance prepared at the end of a period by the business concern must agree. It means the sum of its debit column and sum of credit column should agree. But if the totals do not agree the difference amount is written in a new account. This account is called Suspense Account. If the total of the debit side of the Trial Balance is more than the total of its credit side, the difference amount will be written in Suspense A/c on its credit side i.e. Suspense A/c is credited and vice-versa. You have also learnt that the two sides of the Trial Balance do not agree because there is some error or errors in the accounts, which is reflected in the Suspense Account. Thus, Suspense A/c is a summarised account of errors.

Opening of a Suspense Account is a temporary arrangement. As soon as the error that has led to Suspense Account is rectified, this account will disappear. One point needs to be noted that Suspense A/c is the result of one sided errors. So one sided errors are corrected through Suspense A/c. Completing the double entry when an error is corrected by placing the correct amount on the debit of the proper account, the credit is placed in Suspense Account or vice-a-versa. For example, Gopal's Account was debited short by Rs.100. The error will be rectified through Suspense A/c by debiting Gopal A/c and crediting Suspense A/c by Rs.100.

**Journal entry for the same is as follows :**

Gopal	Dr.	100	
To Suspense A/c			100
(Gopal's A/c debited short is now corrected)			

Similarly, while correcting as one sided error the proper account is credited with the correct amount, the debit is placed in the Suspense A/c. For example, Sales Book for December, 2006 is undercast by Rs. 500. The error will be rectified by debiting Suspense A/c and crediting Sales A/c.

**Journal Entry for the same will be as follows :**

Suspense A/c	Dr	500	
To Sales A/c			500
(Sales Book undercast is rectified)			



**Notes**

**Illustration 6**

Following are some accounting errors. Rectify the same through Suspense A/c.

- (i) Purchases Book has been overcast by Rs.200
- (ii) Goods purchased from Manohar of Rs.2500 has been posted to the debit of his account.
- (iii) Cash of Rs.4500 paid to Munish was credited to Manish.
- (iv) Discount Rs.100 allowed to Anthony was not debited to discount account.

**Solution.**

**(i) Accounting effect**

Purchase A/c has been debited in excess by Rs.200

**Rectification :** Purchase A/c is credited by Rs.200 and Suspense A/c is debited by Rs.200.

**Journal entry**

Suspense A/c	Dr	200	
To Purchases A/c			200
(Purchase Book overcast is now corrected)			

**(ii) Accounting effect**

Manohar A/c has been debited by Rs.2500 instead of it being credited by the same amount.

**Rectification**

Manohar A/c is credited by Rs.5000

**Journal Entry**

Suspense A/c	Dr	5000	
To Manohar A/c			5000
(Goods purchased from Manohar debited to his account is now corrected)			



**Notes**

**(iii) Accounting effect**

Manish A/c is credited by Rs. 4500 while Manish A/c was to be debited by the same amount.

**Rectification.** Manish A/c is to be debited by Rs. 4500 and Manish A/c is also be debited by Rs. 4500 and Suspense A/c to be credited by Rs. 9000

**Journal Entry :**

Manish	Dr	4500	
Munish	Dr	4500	
	To Suspense A/c		9000

(Cash paid to Munish was wrongly credited to Manish, now corrected)

**(iv) Accounting effect**

Discount A/c is omitted to be debited by Rs.100. This account is debited and Suspense A/c is credited.

**Journal Entry**

Discount A/c	Dr	100	
	To Suspense A/c		100

(Discount allowed is not debited to discount A/c.)

**Illustration 7**

Rectify the following accounting errors through Suspense Account by making journal entries :

1. Purchase of goods from Mohit for Rs2500 was entered in the Sales Book, however Mohit's Account was correctly credited.
2. Cash received from Anil a debtor Rs3200 was correctly entered in the Cash Book but was omitted to be posted to his account.
3. Sales Book was overcast by Rs1500.
4. Cash of Rs4000 paid to Hanif was credited to Rafique A/c as Rs1400.
5. The total of Purchase Returns Book of Rs3150 was carried forward as Rs1530.
6. Namita was paid cash Rs6500 but Sumita was debited by Rs6000.



**Notes**

**Solution**

Particulars		Amount Dr. (Rs)	Amount Cr. (Rs.)
1. Purchase A/c	Dr	2500	
Sales A/c	Dr	2500	
To Suspense A/c			5000
(Purchase of good was entered in the the sale book now corrected)			
2. Suspense A/c	Dr	3200	
To Anil A/c			3200
(Anil's account omitted to be credited now rectified)			
3. Sales A/c	Dr	1500	
To Suspense A/c			1500
(Sales Book overcast is corrected)			
4. Hanif A/c	Dr	4000	
Rafique A/c	Dr	1400	
To Suspense A/c			5400
(Cash paid to Hanif was wrongly credited to Rafique the error is now rectified)			
5. Suspense A/c	Dr	1620	
To Purchase Returns A/c			1620
(Purchase Return Book is undercaste is now rectified)			
6. Namita A/c	Dr	6500	
To Sumita A/c			6000
To Suspense A/c			500
(Cash paid to Namita Rs 6500 was debited to Sumita by Rs 6000 is the error is rectified)			

**Rectification of two sided Errors**

Error which affects two different accounts on the same sides or different sides is called two sided error.



**Illustration 8**

Furniture purchased from M/s Furniture House on 15th January, 2006 for Rs 5000 was wrongly entered in the Purchases Book.

**Solution**

Accounts affected are Furniture A/c which is omitted to be debited and Purchase A/c which is wrongly debited.

**Rectification through Journal Entry**

Furniture A/c	Dr	5000	
To Purchase A/c			5000

(Furniture purchased wrongly entered in the Purchases Book now corrected)

**Notes**



**INTEXT QUESTIONS 11.4**

Answer the following in one sentence :

1. When is Suspense A/c opened?

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2. When does Suspense A/c disappear?

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3. What are two sided errors?

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4. What type of errors are rectified through Suspense A/c?

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**Notes****WHAT YOU HAVE LEARNT**

- Accounting errors are the errors committed by persons responsible for recording and maintaining accounts of a business firm in the course of accounting process.
- Errors can be in the form of omission of recording of transaction in various books or posting in ledger or mistake in totalling or recording wrong amount or in wrong account.
- There can be accounting errors which affect the agreement of trial balance and errors which do not affect the agreement of Trial Balance.

On the basis of nature accounting errors can be

- (a) Errors of omission
  - (b) Errors of commission
  - (c) Errors of principle
- On the basis of impact on ledger accounts errors can be :
    - (a) one sided errors
    - (b) two sided errors
  - Errors should never be rectified by erasing or overwriting.
  - Methods of rectification of errors are
    - (a) Before preparing trial balance, instant correction and correction in the affected account.
    - (b) After preparing trial balance through suspense Account

**TERMINAL QUESTIONS**

1. State the meaning of Accounting Errors.
2. Explain the following types of errors with suitable examples:
  - (a) Error of omission
  - (b) Compensating errors
  - (c) Error of principle

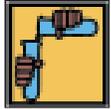
**Notes**

3. A businessman has prepared trial balance of his business firm that has agreed? He is satisfied that now there are no accounting errors. Do you agree with him? If not list the errors that do not affect the agreement of the trial balance.
4. When is a suspense Account opened? How are errors rectified through Suspense A/c?
5. Rectify the following errors :
  - (i) Goods purchased on credit for Rs.8200 not recorded in the Purchases Book.
  - (ii) Purchase Returns Book is overcast by Rs.1000.
  - (iii) Salary of Rs.3200 paid to Gopal the accountant was debited to his personal account
  - (iv) Sales to Shakila of Rs.2400 was posted to her account
  - (v) Cash received from Suresh Rs.2000 was not entered in the books.
6. Rectify the following errors :
  - (i) Purchases Book is undercast by Rs.1500
  - (ii) Sales Return Book is overcast by Rs.1000
  - (iii) Sales Book is added short by Rs.100
  - (iv) The total of Purchases journal of Rs.7580 has been posted to Purchases Account as Rs.5780
  - (v) The total of the page of Sales journal of Rs.24750 was carried to next page as Rs.027450
7. Pass necessary journal entries to rectify the following errors :
  - (i) Sale of an old machine for Rs.4500 was posted to Sales account
  - (ii) Rent of proprietors residence of Rs.12000 was posted to Rent Account.
  - (iii) A credit to Brij Mohan of Rs.6750 was posted to his account as Rs.4750
  - (iv) Furniture purchased from M/s Decorates for Rs.22500 was entered in the Purchases Book
  - (v) Salary paid to the accountant Sushil Gupta of Rs.6500 was debited to his personal Account.



### Intext Questions 11.4

1. When trial Balance does not agree.
2. When errors responsible for suspense account are rectified.
3. Error which affects two different accounts same on sides or different sides
4. Two side errors



### *Activity*

Your father has appointed a person to maintain accounts of his business but who is not very competent often he commits accounting errors. Your father has asked you to look into the accounts and make a list of various errors he commits. Find out which type of errors he commits more frequently. Classify these errors and explain to him how not to make such errors in future.



**Notes**