

# Principles of Bookkeeping Controls

Suitable for  
the  
AAT Accounting Qualification in

## Principles of Bookkeeping Controls

### Revision Kit

Alan Dawson, B.Ed (Hons), MAAT



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Alan is a qualified teacher. He gained his honours degree in education from Nottingham University and he went on to teach Mathematics, Modern Languages and Music in schools for 18 years.

He then turned his attention to accountancy, qualifying from the AAT and taking up various accounting roles both in private practice and industry. He spent 6 years in a large company in management accounts while at the same time taking private clients for help with bookkeeping, payroll, VAT and taxation.

From March 2006 he has been a tutor at Premier Training, with over 300 students worldwide under his guidance at one time or another.

## **About this Book**

**T**his Revision Kit is designed to be used alongside the Principles of Bookkeeping Controls Study Manual and is ideal for students to use in the classroom, at home or on distance learning courses.

Each chapter contains exercises which are designed to supplement the activities in the Study Manual. Some of them are more extensive than those in the Study Manual and are ideal for students preparing for the examinations. Each chapter matches the topics in the Study Manual and can be attempted once the relevant chapter has been read. However, students should follow the chapters in order as some questions require the knowledge gained in previous chapters.

There are two practice examination papers at the end of the book. These should not be attempted until all the chapters have been read and understood. They are ideal preparation for the actual examination and should be attempted in the few weeks approaching the examination sitting date.

The answers to the Revision Kit questions and the practice examinations are given at the end of the book.

**Premier Training** students have online access to many extra resources which provides many further explanations and demonstrations of these and other topics. Visit [www.premiertraining.co.uk](http://www.premiertraining.co.uk) or telephone 01469 515444.

# Chapter 1

## Control Accounts

### 1.1

The following transactions appear in the Receivables Ledger Control.

Opening Balance	£20,040
Credit sales	£9,720
Sales Returns	£864
Payments received	£13,560
Contra (set off)	£950

- (a) Calculate the closing balance
- (b) Say whether the closing balance (the balance b/d) will be a debit or a credit

CHAPTER 1  
Control Accounts

**1.2**

- (a) Complete the Receivables Ledger Control account for Premier Trading Ltd (shown below) for October 2023 from the following summary of transactions.

Balance as at 1 <sup>st</sup> October	£72,600
Credit sales	£113,840
Money received from credit customers	£92,360
Goods returned by credit customers	£740
Discounts allowed	£288

H Stevens is a credit customer but has ceased trading. He owes a total of £500 plus VAT but it is clear you will never receive this money. You must write off this amount in the Receivables Ledger Control account.

Receivables Ledger Control Account					
Dr	Date	Details	£	Date	Cr

- (b) Balance off the account clearly showing the balance c/d and the new balance b/d.

CHAPTER 1  
Control Accounts

**1.3**

The following transactions appear in the Receivables Ledger Control of Hannigan Enterprises at the end of July 2023.

Goods sold on credit	£154,180
Money received from credit customers	£125,078
Goods returned by credit customers	£845
Discounts allowed	£390
Irrecoverable debt written off	£455

Crockett & Sons is both a credit customer and a credit supplier. The balance owing to Hannigan Enterprises is £2,760 while Hannigan Enterprises owes £3,220 to Crockett & Sons. It has been agreed to set these amounts off.

The balance on the Receivables Ledger Control account at 1<sup>st</sup> July 2023 was £235,072.

- (a) Prepare a Receivables Ledger Control account for the month of July. Show clearly the balance c/d and the new balance b/d.

Receivables Ledger Control Account							
Dr	Date	Details	£	Cr	Date	Details	£



CHAPTER 1  
Control Accounts

(b)

The following customer balances were in the subsidiary receivables ledger on 31<sup>st</sup> July 2023.

Black Ltd	£41,624
Crockett & Sons	£0
Dumbledore Ltd	£99,528
Granger & Co	£36,542
Lestrangle Ltd	£455
Malfoy Enterprises	£40,075
Potter & Potter	£41,955

Reconcile these balances with the Receivables Ledger Control account balance you calculated in part (a)

Receivables Ledger Reconciliation	
	£
Receivables ledger control account balance as at 31 <sup>st</sup> July 2023	
Total of the receivables ledger accounts as at 31 <sup>st</sup> July 2023	
Difference	

(c)

What may have caused the difference calculated in part (b)?

.....

.....

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CHAPTER 1  
Control Accounts

**1.4**

A summary of the transactions with credit customers in May 2023 is shown below. Show with a tick whether each entry will be a debit or a credit in the Receivables Ledger Control account.

	Amount £	Debit √	Credit √
Balance of credit customers as 1 <sup>st</sup> May 2023	33,066		
Goods sold to credit customers	21,737		
Money received from credit customers	20,425		
Goods returned by credit customers	1,879		
Discounts allowed	549		
Irrecoverable debt written off	315		

- (b) What will be the balance on the Receivables Ledger Control account on 1<sup>st</sup> June 2023?

£.....

- (c) The balances in the sales ledger on 1<sup>st</sup> June 2023 totalled £31,308.

What is the difference between the total of the balances in the Receivables Ledger and the Receivables Ledger Control balance calculated in part (b)?

£.....