# CHAPTER - 5

# RECTIFICATION OF ERRORS

Error is a mistake committed in writing up of books of accounts. Inspite of great care taken in recording transactions, occurring of mistakes cannot be completely over ruled on account of the human element present in the work. Errors may occur in the book of journal or in the ledger or at the stage of preparing the trial balance.

***Classification of Errors :***

Errors can be broadly classified into the following two types.

***I. Errors affecting the Trial Balance :***

There are some errors which affect the agreement of trial balance. They are as follows.

***a) Error of partial Omission :***

Omitting to record only one aspect of a transaction is called error of partial omission.

***b) Error of Commission :***

Errors in casting Posting, totalling, balancing, carry forward etc are called error of commission.

***II. Errors not affecting the Trial Balance :***

There are some errors which do not affect the agreement of trial balance. They are as follows.

***a) Error of complete Omission :***

When a transaction is completely omitted to be recorded from the books of accounts, it is called error of complete omission.

***b) Error of principle :***

Errors committed without conforming to the fundamentals principles of accountancy is called error of principle.

*(Eg)* Errors is distinction between capital and revenue items, errors in distinction between business expenses and personal expenses etc.

***c) Compensating Error :***

A error which is neutralised by a similar error on the opposite side is known as compensating error.

## RECTIFICATION OF ERROR :

Once the error is located, attention must be given to the correction of error which is also described as 'Rectification of the Error'.

***Rectification of one sided errors :***

Certain errors affect only one side of an account. These one sided errors do not require journal entries for rectification. For correcting these types are errors

a) either to make an entry on the debit side of an account to increase the debit value or to decrease the credit value of the account

(Or)

b) to make an entry on the credit side of an account to increase the credit value or to reduce the debit value of the account.

**Illustration 1 :**

***Rectify the following errors :***

i) Purchases Book is overcast by ₹ 300

ii) Sales Book is undercast by ₹ 200

iii) Purchases returns book has been over cast by ₹ 75

iv) Sales returns book has been undercast by ₹ 30

***Solution :***

***Rectification :***

i) **Credit,** Purchases a/c with ₹ 300

ii) **Credit,** Sales a/c with ₹ 200

iii) **Debit,** Purchases returns a/c with ₹ 75

iv) **Debit,** Sales returns a/c with ₹ 30



**Illustraion 2 :**

***Rectify the following errors :***

i) The total of sales book ₹ 734 has been carried forward as ₹ 743

ii) Purchases from Peter for ₹ 200 has been omitted to be posted to his account.

iii) Sales to kumar for ₹ 360 has been posted to his account as ₹ 630

iv) Purchases from Paul for ₹ 150 has been posted to the debit of his account.

v) Sales to Sunder for ₹ 420 has been posted to his credit as ₹ 240

***Solution :***

***Rectification :***

i) **Debit**, Sales a/c with ₹ 9

ii) **Credit**, Peter a/c with ₹ 200

iii) **Credit**, Kumar a/c with ₹ 270

iv) **Credit**, Paul a/c with ₹ 300 (150+150)

v) **Debit**, Sundar a/c with ₹ 660 (240+420)

***Rectification of two sided errors :***

There are other errors which affect both the accounts of a transaction. These two-sided errors can be rectified by appropriate journal entires.

**Illustration 3 :**

***Rectify the following errors :***

i) Purchase of machinery for ₹ 5000 has been passed through Purchases Book.

ii) A credit purchase of ₹ 2000 from Raja & Co was omitted to be passed through the invoice book.

iii) Goods returned by Rani & Co ₹ 700 posted to Vani & Co a/c

iv) Rent paid ₹ 450 to proprietor's house was debited to rent a/c

v) A credit purchase from Jeyam Stores has been passed through the sales Day Book ₹ 2000

***Solution :***

**Rectification Journal Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | Machinery a/c Dr<br>To Purchases a/c | 5000 | 5000 |
| 2. | Purchases a/c Dr<br>To Raja & Co a/c | 2000 | 2000 |
| 3. | Vani & Co a/c Dr<br>To Rani & Co a/c | 200 | 200 |
| 4. | Drawings a/c Dr<br>To Rent a/c | 450 | 450 |
| 5. | Sales a/c Dr<br>Purchases a/c Dr<br>To Jeyam Stores a/c | 2000<br>2000 | 4000 |

***Both one sided and two sided errors :***

**Illustration 4 :**

Rectify the following errors :

i) Sales Book under cast by ₹ 4000

ii) Machinery purchased for ₹ 6000 passed through purchases Book.

iii) Sales to Ram for ₹1100 debited to his account as ₹1010

iv) Reparis to building ₹1440 debited to buildings account.

*(M.S.University Nov200*



***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | **Credit**, Sales Book with ₹4000 | | |
| 2. | Machinery Dr<br>To Purchases a/c | 6000 | 6000 |
| 3. | **Debit**, Ram a/c with ₹90 | | |
| 4. | Repairs a/c Dr<br>To Buildings a/c | 200<br>1440 | 1440 |

**Illustraton 5:**

***Rectify the following error :***

i) Amount received from patel has been credited to Patil's account ₹ 1500

ii) A credit purchase of ₹1500 worth machine has been passed through purchases book.

iii) A credit sale of old furniture worth ₹ 150 has been passed through sales book.

iv) ₹ 7500 paid in cash for a typewriter was charged to office expense account

*(M.S. University Nov.2001, Ap.2002, Nov.2003)*

***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | Patil's a/c Dr<br>To Patel a/c | 1500 | 1500 |
| 2. | Machinery a/c Dr<br>To Purchases a/c | 1500 | 1500 |
| 3. | Sales a/c Dr<br>To Old furniture a/c | 150 | 150 |
| 4. | Typewriter a/c Dr<br>To Office Expenses a/c | 7500 | 7500 |

**Illustraton 6:**

*Rectify the following error :*

i) Salaries paid to manager ₹5000 debited to his personal account.

ii) Total of discount collumn in the debit side of the cash book is wrongly cast short ₹40

iii) Total of sales book has been added ₹ 100 excess.

iv) ₹250 received in respect of a book debt was posted to sales account

v) Good sold for ₹317 to Raghu were returned to us and recorded in sales book.

*(M.S. University April 1999)*

***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | Salaries a/c Dr. | 5000 | |
| | To Manager a./c | | 5000 |
| 2. | **Debit** discount allowed a/c ₹40 | | |
| 3. | **Debit**, sales a/c with ₹100 | | |
| 4. | Sales a/c Dr | 250 | |
| | To customer a/c (Debtor) | | 250 |
| 5. | Sales return a/c Dr | 317 | |
| | Sales a/c Dr | 317 | |
| | To Raghu | | 634 |

**Illustraton 7:**

*Rectify the following error :*

i) A builders bill for ₹4600 for the errection of smalll shed was debited to repairs account

ii) A cheque for ₹750 received from padma was credited to the account of Parvathi.

iii) Goods to the value of ₹700 returned by Viswanath were included in closing stock, but no entry was passed in the books.



iv) The sales day book was overcast by ₹ 3000

*(M.S. University Nov.2003)*

***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | Shed (Building) a/c Dr | 4600 | |
| | To Repairs a/c | | 4600 |
| 2. | Parvathi a/c Dr | 750 | |
| | To Padma a/c | | 750 |
| 3. | Sales returns a/c Dr | 700 | |
| | To Viswanath a/c | | 700 |
| 4. | **Debit**, sales book by ₹300 | | |

**Illustraton 8:**

*Rectify the following error :*

i) Goods sold to Danaraj for ₹6300 is wrongly debited to Danaraj Pillai account ₹ 3600

ii) Goods purchased from Mohan ₹15000 is wrongly debited to his account.

iii) Total of discount column in the debit side of the cash book wrongly cast short ₹ 40

iv) Salaries paid to Manager ₹ 5000 is debited his personal account

*(M.S. University April 2000)*

***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | **Debit**, Danaraj a/c with ₹6300 **Credit**, Danaraj Pillai a/c with ₹3600 | | |
| 2. | **Credit**, Mohan a/c by ₹30,000 | | |
| 3. | **Debit**, Discount allowed a/c with ₹ 40 | | |
| 4. | Salaries a/c Dr | 5000 | |
| | To Manager a/c | | 5000 |

**Illustraton 9:**

***Rectify the following errors :***

i) A welding machine purchased for ₹ 5000 from the Oxygen Co. Ltd has been entered in the purchase day book

ii) The total of returns outwards book is ₹100 short

iii) A sale of ₹ 175 of M/s Gupta and Mukherjee has been entered in the sales book as ₹157

iv) A Purchase of ₹ 215 from M/s Goha &Ray has been posted to the debit of their account.

v) Licence fee for proprietor's gun ₹300 has been debited to General expenses account.

vi) A sale of ₹ 200 for old furniture has been passed through a sale book

vii) ₹ 375 paid for wages to workmen for making show cases has been charged to wages account.

viii) A sale of ₹ 200 to Singh's & Co was credited to their account.

*(M.S. University Apr.2001)*

***Solution :***

**Rectification Entries**

| S.No | Particulars | Debit | Credit |
|---|---|---|---|
| 1. | Machinery a/c Dr | 5600 | |
| | To Purchase a/c | | 5600 |
| 2. | **Credit,** purchase return a/c with ₹ 100 | | |
| 3. | **Credit,** Sales a/c with ₹ 18 | | |
| 4. | **Credit** M/s Gupta&Mukherjee a/c with ₹ 430 | | |
| 5. | Drawings a/c Dr | 300 | |
| | To General expenses a/c | | 300 |
| 6. | Sales a/c Dr | 200 | |
| | To old furniture a/c | | 200 |
| 7. | Furniture a/c Dr | 375 | |
| | To Wages a/c | | 375 |
| 8. | **Debit,** Singh & Co with ₹ 400 | | |



## SUSPENSE ACCOUNT

*If the errors cannot be located immediately, the difference in the trial balance may be temporarily transferred to an account called 'suspense account'.*

Suspense account is a temporary and imaginary account which is closed later when the errors are located.

Suspense account enables the final account to be prepared even before the location of errors and avoids delay in the preparation of final accounts.

***Rectification of errors using suspense account :***

Arithmatical errors (errors affecting the trial balance) would be rectified through the suspense account. For other errors such as error of principle, compensating errors, errors of cample omission etc (errors not affecting the trial balance) suspense account will not be involved.

**Illustraton 10:**

The trial balance showed ₹ 261 excess debit. It was made to agree by opening a 'Suspense a/c'. Later the following errors were discovered

i) A credit item of ₹ 349 has been debited to Sivakumars a/c as ₹ 439

ii) A sum of ₹ 625 written off furniture has not been posted to Depreciation a/c

iii) ₹ 9000 spent for the purchase of machinery were charged to purchases a/c

iv) ₹ 154 being the discount allowed to a customer was posted to his account as ₹ 145

v) A sale of ₹ 594 was posted to sales a/c as ₹ 495

vi) The total of the returns inwards book has been added ₹ 10 short.

Rectify the above errors using suspense account

*(M.S. University Nov.2001,Apr.2003, Apr.2004)*

*Solution :*

**Rectification Entries**

| S.No | Particulars | | Debit | Credit |
|---|---|---|---|---|
| 1. | Suspense a/c | Dr | 788 | |
| | To Sivakumar a/c | | | 439 |
| | To Credit item a/c | | | 349 |
| 2. | Depreciation a/c | Dr | 625 | |
| | To Suspense a/c | | | 625 |
| 3. | Machinery a/c | Dr | 9000 | |
| | To Purchases a/c | | | 9000 |
| 4. | Suspense a/c | Dr | 9 | |
| | To Customer a/c | | | 9 |
| 5. | Suspense a/c | Dr | 99 | |
| | To Sales a/c | | | 99 |
| 6. | Returns inwards a/c | Dr | 10 | |
| | To Suspense a/c | | | 10 |

Dr Suspense a/c Cr

| Particulars | ₹ | Particulars | ₹ |
|---|---|---|---|
| To Sivakumar a/c | 439 | By Difference in Trial Balance | 261 |
| To Sales | 99 | | |
| " Credit item a/c | 349 | " Depreciation | 625 |
| " Customer a/c | 9 | " Returns inwards a/c | 10 |
| | 896 | | 896 |

**Illustraton 11:**

A businessman's trial balance showed the excess of credit by ₹490. He opened suspense a/c and detected the following errors.

i) The purchase book is added short by ₹ 100

ii) The amount received from Goving ₹ 100 on 31.12.93 was entered only on 2.1.94

iii) Purchase of stationary for ₹ 300 was entered in purchase book

iv) Amount paid ₹ 375 for machinery tools was posted at wages a/c



v) Sundry creditors account was written by ₹ 60 instead of ₹ 70

vi) A cheque received from Kamal ₹ 200 was dishonoured and entered at allowance a/c.

vii) Amount drawn ₹ 1000 by proprietor, was enteredat miscellaneous a/c

viii) A sale of ₹ 200 was posted to Singh A/c at credit side.

Open suspense a/c and show the rectification entries.

*(M.S. University Apr.2004)*

*Solution :*

**Rectification Entries**

| S.No | Particulars | | Debit | Credit |
|---|---|---|---|---|
| 1. | Purchaes a/c | Dr | 100 | |
| | To Suspense a/c | | | 100 |
| 2. | Cash a/c | Dr | 100 | |
| | To Govind a/c | | | 100 |
| 3. | Stationary a/c | Dr | 300 | |
| | To Purchases a/c | | | 300 |
| 4. | Machinery tools a/c | Dr | 375 | |
| | To Wages a/c | | | 375 |
| 5. | Suspense a/c | Dr | 10 | |
| | To Sundry Creditors a/c | | | 10 |
| 6. | Kamal a/c | Dr | 200 | |
| | To Allowance a/c | | | 200 |
| 7. | Drawings a/c | Dr | 1000 | |
| | To Miscellaneous a/c | | | 1000 |
| 8. | Singh a/c | Dr | 200 | |
| | Cash a/c | Dr | 200 | |
| | To Suspense a/c | | | 400 |

Dr Suspense a/c Cr

| Particulars | ₹ | Particulars | ₹ |
|---|---|---|---|
| To Diffrence in trial Bal | 490 | By Purchases | 100 |
| " Sundry creditors | 10 | " Singh | 200 |
| | | " Cash | 200 |
| | 500 | | 500 |

**Illustration 12:**

When a Trial balance failed to agree, ₹3,790 was transferred to the credit of suspense a/c . The following errors were discovered. Give journal entries and prepare suspense account.

i) Sales day book was undercast by ₹ 4000

ii) Purchase of machinary for ₹ 6000 was passed through the purchase book.

iii) Goods sold to Velu for ₹ 450 was posted to his account as ₹540

iv) Purchase returns book was overcast by ₹200

v) The toal of sales Book from one page was carried forward to the next page as ₹ 1222 instead of ₹ 1122

(M.S.University Apr.2000)

***Solution :***

**Rectification Entries**

| S.No | Particulars | | Debit | Credit |
|---|---|---|---|---|
| 1. | Suspense a/c | Dr | 4000 | |
| | To Sales a/c | | | 4000 |
| 2. | Machinery a/c | Dr | 6000 | |
| | To Purchases a/c | | | 6000 |
| 3. | Suspense a/c | Dr | 90 | |
| | To Velu a/c | | | 90 |
| 4. | Purchases returns a/c | Dr | 200 | |
| | To Suspence a/c | | | 200 |
| 5. | Sales a/c | Dr | 100 | |
| | To Suspense a/c | | | 100 |

Dr Suspense a/c Cr

| Particulars | ₹ | Particulars | ₹ |
|---|---|---|---|
| To Sales a/c | 4000 | By Difference in trial bal | 3790 |
| " Sundry Creditors | 90 | " Purchases returns | 200 |
| | | " Sales a/c | 100 |
| | 4090 | | 4090 |



# EXERCISES

1. *Rectify the following errors.*
   i) Sales day book undercast by ₹ 2,000
   ii) Machinery purchased for ₹ 25,000 passed through purchases book.
   iii) Sales to sumathi for ₹ 11,000 debited to her account as ₹ 1,100
   iv) Repairs to building ₹ 19,000 debited to building account.

   (M.S.University Nov.2001, Nov.2002)

2. Rectify the following errors and give reasons for doing so.
   i) Paid wages for construction of rooms debited to wages account ₹890
   ii) Purchased goods for the personal use of the proprietor ₹300 debited to purchases account.
   iii) Materials of the value of ₹ 800 was used in the manufacture of some parts of the machinery in the factory itself . No record was made.

   (M.S.University Nov,2000)

3. Correct the following errors.
   i) A purchase of goods from Manoharan ₹ 5,200 had been wrongly entered in the sales book.
   ii) A payment of ₹ 500 for salary to Raman had been debited to his personal account.
   iii) A sale of goods to Raghavan for ₹2100 had been debited to Raju.
   iv) Goods worth ₹ 210 used by proprietor was not recorded in the books
   v) ₹ 500 paid to labour for erecting a new machine was debited to wages account.

   (M.S.University Nov.2000)

4. Pass journal entries to rectify the following errors.
   i) Paid wages for the construction of a room debited to wages account ₹ 890
   ii) Purchased goods for the personal use of the proprietor ₹ 300 debited to purchase account.

iii) Material of the value of ₹800 was used for the manufacturing of some parts of machinery in the factory itself .No record was made.

iv) Paid repairing charges on the purchase of an old machinery ₹ 250 debited general expenses account.

v) Paid rent to landlord ₹ 24,000 debited to landlord's account as ₹2,004

*(M.S.University Nov.2003)*

5. Rectify the following errors

i) ₹ 3000 paid as wages for the construction of office building debited to salaries a/c

ii) ₹ 4000 spent on the purchases of materials for the construction of office building debited to purchases a/c

iii) ₹ 10,000 spent on the extension of building was debited to building repairs a/c

iv) ₹ 5,000 spent on white washing of building was charged to building a/c

v) ₹ 200 paid as installation charge for newly purchased second hand machinary debited to cartage a/c

vi) ₹ 2000 paid by cheque for a typewriter was charged to office expenses account.

*(M.S.University Nov.2003)*

6. The trial balance of Mr. Swaminathan as on 30 June 1998 did not agree and on checking the accounting records, the following erors were discovered.

i) Wages paid for erection of machine amounting to ₹ 600 wre debited to wages a/c as ₹ 1600

ii) The total of the purchases returns book was undercast by ₹100

iii) ₹7500 paid for the purchase of a motor cycle for the private use of the proprietor was charged to miscellaneous expenses a/c

iv) A sale of ₹ 300 was entered in the sales returns book but the posting therefrom was made to the debit of the customer's account.



v) Goods said to 'P' for ₹ 800 were passed through the purchases book

You are required to rectify the above errors.

*(M.S.University Nov.2001)*

7. Pass the necessary journal entries to rectify the following errors

i) ₹ 1000 spent for repairs of buildings has been posted to buildings account.

ii) A sale of ₹ 730 to Mohan has been entered in the sales book as ₹370

iii) Goods worth ₹ 500 purchased from Balan have been omitted to be recorded.

iv) ₹ 400 paid as salary to a clerk has been debited to his personal account.

v) ₹ 75 discount allowed by a creditor has been debited to discount account.

vi) Office furniture purchased for ₹ 1800 has been passed through purchases book.

*(M.S.University Nov.1999)*

8. The book of Arulraj does not agree. The accountant placed the difference ₹ 1270 to the debit of suspense account. Rectify the following and prepare the suspense account.

i) A sale for ₹ 430 to Gopal has been credited to his account as ₹ 340

ii) Drawings ₹ 75 for personal use have not been entered in the book at all.

iii) Old furniture sold ₹ 540 has been entered in the sales account as ₹450

iv) A purchase of ₹ 400 from Arun has been entered in the sales book. However, Arun's accounts has been correctly credited.

v) The total of the purchases return book ₹ 210 has not been posted.

*(M.S. University Apr. 2000)*

*(Ans : Suspense a/c Total 1570)*

9. A book keeper failed in balancing his trial balance, the credit exceeding the debit by ₹ 250 . The amont was entered in a suspense account. Later, the following errors were discovered. Give journal entries to rectify the errors and prepare the suspense account:

i) Goods amounting to ₹ 620 sold to Murugan were correctly entered in sales book, but entered to his account as ₹ 260

ii) Goods amounting to ₹ 55 were sold to Kannan for cash. It was correctly entered in cash book, but it was wrongly credited to Kannan's a/c

iii) A credit balance of ₹ 735 of rent amont was shown as ₹ 570

iv) The total of returns outwards book amounting to ₹ 200 was not posted in the ledger.

v) Goods worth ₹ 100 were purchased from Murthy but the amount was entered in the sales account. The account of Murthy was correctly credited.

*(M.S.University Apr. 2000)*

*(Ans : Suspence a/c Total 615)*

10. Rectify the following errors and find out the difference in Trial balance. Open suspense account.

i) ₹ 850 paid for the purchase of a Type Writer was charged to office expenses account.

ii) Cash sales ₹ 3,550 was posted as 3,505

iii) Purchases returns book for November was undercast by ₹ 25

iv) Goods accounting to ₹ 860 sold to Ravi on 25th December were although correctly entered in the sales bok, posted as ₹ 866 to the ledger a/c. The total sales of the month was overcast by ₹100

v) Goods sold to Ramu worth ₹ 150 were correctly entered and from there posted to his debit. But goods were later on returned and taken into stock. No enteries were made in the book.

*(M.S. University 2000)*

*(Ans :Difference to Trial Bal. ₹ 120*

*Suspense a/c Total 220)*



*11. The book keeper of a firm haivng been unable to agree the trial balance on 31st December 1997 raised a suspense account. On investigation you find the following errors.*

i) Goods purchased form Dash and Co accounting to 1760 has been posted to the debit of their account as ₹ 17.60 from the purchase book.

ii) The purchase book has been undercast in page 14 by ₹ 500

iii) ₹ 4,600 paid for repairs to building was charged to building account.

iv) A cheque for ₹ 301.02 received from Gopalan has been posted to his account as ₹ 302.01 .

Show the journal entries which are necessary to correct the above errors.

*(M.S.University Nov.2002)*

*(Ans : Difference in Trial Bal. ₹ 1276.61*

*Suspenses a/c total 1776.60)*

12. There was a difference in the trial balance of Raja & Co on 31.12.95 (Excess Debit ₹ 1900) and its was carried to a suspense account to close the books. While going through the books of 1995 you find the following :

i) ₹ 540 received from Dinesh was posted to the debit of his account.

ii) Discount received from creditors ₹ 200 entered in the cash book was not posted into the ledger.

iii) A sale of ₹ 350 to Kishore was entered in the sales book as ₹ 530

iv) ₹ 460 paid for installation of machinery debited to wages account.

v) Cash received from Antony ₹ 400 debited in his account.

Give rectification entires and suspense a/c

*(M.S.University 2003)*

*(Ans : Suspense a/c Total 1880)*

## Theory Questions

## Part-A

**Short Questions:**

1. What do you understand by rectification of errors?
2. Mention the errors affecting Trail Balance?
3. Mention the errors not affecting Trail Balance?
4. What is errors of principle?
5. Explain suspense account?

***Choose the best answer***

1. Error of omission means
   a) The transaction is recorded wrongly in the books of account.
   b) The transaction is not recorded according to the fundamental principles of accoutancy
   c) One type of error is compensated by the other type of error.
   d) The transaction is completely omitted to the recorded.

   *(Ans : d)*

2. Where the total of the debit balances exceeds the total of the credit balances in the balance, the difference is
   a) Recorded in the credit of suspense account
   b) Capital
   c) Recorded in the debit of suspense account
   d) To be deleted

   *(Ans : a)*

3. Preparation of trial balance helps in detection of
   a) Error of omission
   b) Error of commission
   c) Error of principle
   d) Compensating error

   *(Ans : b)*



4. Any difference in the trial balance must be entered in
   a) Capital account
   b) Nominal account
   c) Suspense account
   d) Miscellaneous account

   *(Ans : c)*

5. Which of these would be disclosed bythe tiral balance?
   a) Error of omission
   b) Error of principle
   c) One book instead of another book
   d) Debit instead of credit

   *(Ans : d)*

6. Purchase of machinery is entered wrongly in the purchases book. This is an error of
   a) Omission
   b) Commission
   c) Principle
   d) Compensating error

   *(Ans : c)*

7. To increase the debit balance
   a) Further debit the concerned a/c
   b) Credit the concerned a/c
   c) Delete any credit item in the a/c
   d) None of the above

   *(Ans : a)*

## PART B

1. Explain the various errors?
2. What are the errors that do not affect the agreement of trial balance.
3. What are the errors that affect the agreement of trial balance?.
4. Illustrate the error of commission with examples.
5. What is suspense account ? When it is opened?