

## Resource 2

Resource 2		
1	<b>Topic</b>	Rectification of Errors- Worksheet
2	<b>Subject</b>	Accountancy
3	<b>Topic connected which area</b>	Trail Balance and Rectification of Errors
4	<b>Class/ Level</b>	XI
5	<b>Objective</b>	<ol style="list-style-type: none"> <li>1. Understand the process of locating errors in the preparation of financial statements of a business concern.</li> <li>2. Identification and Rectification of errors.</li> </ol>
6	<b>Summary</b>	<p>It is very important for any accountant that the Trial balance should tally. Normally a tallied trial balance means that both the debit and credit entries have been made correctly for each business transaction. But, the agreement of trial balance is not an absolute proof of accuracy of accounting records. It only signifies the arithmetic accuracy of the posting to the ledger, but do not guarantee the correctness of the entry, <i>per se</i>. There may exist errors caused inadvertently by an accountant which may or may not affect the agreement of a Trial Balance.</p> <p>This worksheet will give you the practice on identifying such errors, their effect on Trial balance, Profit and Loss account and the Balance Sheet. Worksheet will help you understand the complete process of rectification of errors in holistic manner.</p>
7	<b>Key Words</b>	Trial Balance, Errors, rectification of Errors, Financial Statements
8	<b>Team of content persons</b>	Shipra Vaidya
9	<b>Subject Coordinator</b>	Shipra Vaidya
10	<b>CIET Coordinator</b>	--





It is an Error of <span style="border: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 150px; height: 15px;"></span>
<b>Correct Entry should have been</b>
Debit: _____ a/c                      Rupees
Credit: _____ a/c                      Rupees
[Narration _____]
<b>Write the rectifying entry</b>
Debit: _____ a/c                      Rupees
Credit: _____ a/c                      Rupees
[Narration _____]

**Case 4:** Accountant showed Cash sales to Radhika Rs. 15,000 as receipt of Commission in the cash book

<b>Wrong Entry recorded in the book of accounts</b>		
Debit: _____ a/c                      Rupees		
Credit: _____ a/c                      Rupees		
[Narration _____]		
<b>Effect of Trial balance</b>	<b>Effect on Profit and Loss Account</b>	<b>Effect on Balance Sheet</b>
It is an Error of <span style="border: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 150px; height: 15px;"></span>		
<b>Correct Entry should have been</b>		
Debit: _____ a/c                      Rupees		
Credit: _____ a/c                      Rupees		
[Narration _____]		

<b>Write the rectifying entry</b>		
Debit: _____ a/c		Rupees
	Credit: _____ a/c	Rupees
[Narration _____]		

**Case 5:** Accountant posted Sales Return from Megha Rs. 1,600 to her account as Rs. 1,000

<b>Wrong Entry recorded in the book of accounts</b>		
Debit: _____ a/c Rupees		
Credit: _____ a/c Rupees		
[Narration _____]		
<b>Effect of Trial balance</b>	<b>Effect on Profit and Loss Account</b>	<b>Effect on Balance Sheet</b>
It is an Error of <span style="border: 1px solid black; padding: 2px;">_____</span>		

<b>Correct Entry should have been</b>		
Debit: _____ a/c		Rupees
	Credit: _____ a/c	Rupees
[Narration _____]		

<b>Write the rectifying entry</b>		
Debit: _____ a/c		Rupees
	Credit: _____ a/c	Rupees
[Narration _____]		

**Case 6:** Accountant debited the rent of owner's house to the Rent account

<b>Wrong Entry recorded in the book of accounts</b>
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It is an Error of

Correct Entry should have been

Debit: \_\_\_\_\_ a/c                  Rupees

Credit: \_\_\_\_\_ a/c                  Rupees

[Narration \_\_\_\_\_]

Write the rectifying entry

Debit: \_\_\_\_\_ a/c                  Rupees

Credit: \_\_\_\_\_ a/c                  Rupees

[Narration \_\_\_\_\_]

**Case 8:**                  Accountant recorded a return of Rs. 9,000 to Gujral as Rs. 990 in his account

Wrong Entry recorded in the book of accounts

Debit: \_\_\_\_\_ a/c                  Rupees

Credit: \_\_\_\_\_ a/c                  Rupees

[Narration \_\_\_\_\_]

Effect of Trial balance

Effect on Profit and Loss Account

Effect on Balance Sheet

It is an Error of

Correct Entry should have been

Debit: \_\_\_\_\_ a/c                  Rupees

Credit: \_\_\_\_\_ a/c                  Rupees

[Narration \_\_\_\_\_]

Write the rectifying entry

Debit: _____ a/c	Rupees	
	Credit: _____ a/c	Rupees
[Narration _____]		

**Case 9:** Accountant recorded credit sales to Rajni Rs. 5,000 in the purchases book.

**Wrong Entry recorded in the book of accounts**

Debit: _____ a/c	Rupees	
	Credit: _____ a/c	Rupees
[Narration _____]		

Effect of Trial balance	Effect on Profit and Loss Account	Effect on Balance Sheet

It is an Error of  

**Correct Entry should have been**

Debit: _____ a/c	Rupees	
	Credit: _____ a/c	Rupees
[Narration _____]		

**Write the rectifying entry**

Debit: _____ a/c	Rupees	
	Credit: _____ a/c	Rupees
[Narration _____]		

**Case 10:** Accountant posted credit purchase from Raghu Rs. 20,000 to Raghav's account

**Wrong Entry recorded in the book of accounts**

Debit: _____ a/c	Rupees	
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Credit: _____ a/c          Rupees		
[Narration _____]		
<b>Effect of Trial balance</b>	<b>Effect on Profit and Loss Account</b>	<b>Effect on Balance Sheet</b>
It is an Error of <span style="border: 1px solid black; padding: 2px 20px;"> </span>		
<b>Correct Entry should have been</b>		
Debit: _____ a/c          Rupees		
Credit: _____ a/c          Rupees		
[Narration _____]		
<b>Write the rectifying entry</b>		
Debit: _____ a/c          Rupees		
Credit: _____ a/c          Rupees		
[Narration _____]		

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