

SUSPENSE ACCOUNTS



Procedure:

1. Identify Business

2. Fix the Errors

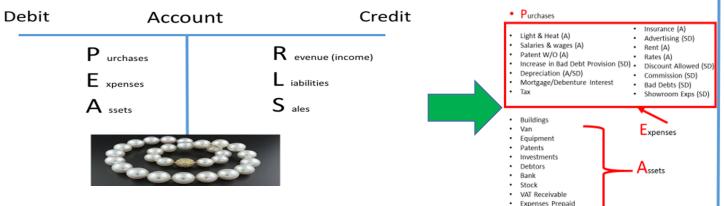
3. Draw up Suspense Account

4. Prepare statement of Corrected Net Profit

5. Prepare New Balance Sheet

6. Answer Theory

Pre-requisite knowledge



ACCOUNT DEBIT CREDIT Rental Income · Commission Earned Discount Received · Decrease in Bad Debt Provision Investment Income · Bad Debt Recovered Creditors Bank Overdraft PRSI/PAYE/USC VAT Due · Expenses Due Income Prepaid Liabilities · Long Term Loans / Debentures Capital (Drawings) Revaluation Reserve Expenses Prepaid · Income Due Sales

TIPS



What Type of Company?



Owner takes: Drawings
Owner adds: Capital Introduced



Journal Entries Add
-/+ above the Dr/Cr column



Adjust the Balance Sheet Account that holds Suspense

