

# Important Questions for Chapter 6 Trial Balance and Rectification of Errors

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## Question 1

Define trial balance?

### Answer:

A trial balance is a worksheet record book that reflects the debit and credit balance of all the registered accounts. This worksheet statement is used to prepare the final account report of the company. Trial balance also determines the accuracy of the account. However, it doesn't ensure that the account is error-free but surely gives mathematical precision.

## Question 2

Explain two objectives of preparing a trial balance.

### Answer:

The two objectives of preparing a trial balance

- To determine the financial accuracy of the ledger accounts
- To help in finding an error

## Question 3

Select the correct error that is revealed by the Trial balance

- (a) The wrong amount entered in to book of original entry
- (b) The wrong amount posted in the ledger account
- (c) The complete omission of an entry from the book of an original entry
- (d) None of the above

### Answer: b

## Question 4

In Trial balance which item is showed as a debit balance?

- (a) Purchase Return
- (b) Outstanding Salary

(c) Sales

(d) Prepaid Expenses

**Answer: d**

### **Question 5**

Which of the commission is not an error?

(a) A sale of ₹660 not recorded in a book at all

(b) Rent paid to the landlord but not posted to his account

(c) A purchase of ₹ 990 was wrongly recorded to sales account

(d) Credited Ram instead of crediting Arjun

**Answer: a**

### **Question 6**

The trial balance is not affected by which errors?

(a) Wrong balancing of an account

(b) Wrong totalling of an account

(c) The omission of an account from the trial balance

(d) Writing of an amount in the wrong account but correct side

**Answer: d**

### **Question 7**

Received ₹20,000 from Anu and credited to Paras account. It is an error of.

1. Principal

2. Omission

3. Commission

4. Compensatory

**Answer: Commission**

### **Question 8**

State the error of principle from the following options.

1. The purchased book was overcast by ₹500
2. Credit sale to Arun ₹700 recorded as a purchase from Arun
3. Good returned to Chetna ₹4,000 posted in Chiru A/c
4. For installation of machinery, wages were paid to the wages A/c

**Answer:** For installation of machinery, wages were paid to the wages A/c

### **Question 10**

State the error of principle from the following options.

1. The purchased book was overcast by ₹500
2. Credit sale to Arun ₹700 recorded as a purchase from Arun
3. Good returned to Chetna ₹4,000 posted in Chiru A/c
4. For installation of machinery, wages were paid to the wages A/c

**Answer:** For installation of machinery, wages were paid to the wages A/c

### **Question 11**

A piece of machinery equipment was purchased for ₹10,000 which was wrongly recorded in purchase account. What will the trial balance show?

1. Trial balance will show a difference of ₹10,000
2. Trial balance will not show any difference
3. Trial balance will show a difference of ₹20,000
4. Trial balance will show a difference of ₹5,000

**Answer:** Trial balance will not show any difference

### **Question 12**

While preparing a Trial balance which error cannot be disclosed.

**Answer:** While preparing a Trial balance the following errors cannot be disclosed

1. Error of Omission
2. Error of Commission

### **Question 13**

State one example of an error of commission

**Answer:** Error of commission can be represented by the following example:

Purchase of goods for ₹5,000 entered in the purchase book as ₹500.

#### **Question 14**

Define a compensating error.

**Answer:** A compensating error can be defined as when one error compensates or neutralizes the other error.

#### **Question 15**

Give an example of principal error.

**Answer:** Principal error can be represented by the following example:

When a purchase of furniture is debited to purchase account instead of a furniture account.