Handout 1 Solution

		Debit	Credit
		$16,060	$17,235
1		+3,240	-3,240
2		-2,500	+2,500
3	See next page for explanation.	+180 -180	
4		+1,500 -1,500	
5			+621
6		-650 -650	
7			+725 -725
8		+950	
9			-306 -360
10		+1,000 -1,000	
		$16,450	$16,450

Both of these accounts have normal debit balances. Therefore, any corrections to these accounts will appear only on the debit side of the trial balance. The fact that two different accounts can have an error of $180 in their ending balance and yet not change the total debits and credits in the trial balance demonstrates that a trial balance might not be accurate even though the debits equal the credits.

Correct

Cash

Balance	1,000	
	860	
Balance	1,860	

Accounts Receivable

Balance	1,000	
		860
Balance	140	

Incorrect

Cash

Balance	1,000	
	680	
Balance	1,680	To correct = +180

Accounts Receivable

Balance	1,000	
		680
Balance	320	**To correct = -180**