

ANSWER KEY



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1. The first part of the text discusses the importance of maintaining accurate records of all transactions. This is crucial for ensuring the integrity of the financial data and for providing a clear audit trail. The text emphasizes that every entry should be supported by appropriate documentation and that any discrepancies should be investigated and resolved promptly.

2. The second part of the text focuses on the role of internal controls in preventing errors and fraud. It highlights the need for a strong control environment, including the separation of duties, regular reconciliations, and the implementation of robust approval processes. These measures are essential for safeguarding the organization's assets and ensuring the reliability of its financial reporting.

Item	Description	Amount
Office Supplies	Stationery, pens, etc.	150.00
Travel Expenses	Hotel, transport, etc.	250.00
Utilities	Electricity, water, etc.	100.00
Salaries	Employee wages and benefits	1,200.00
Depreciation	Wear and tear on assets	75.00
Interest	Bank charges and loan interest	30.00
Insurance	Property and liability cover	120.00
Advertising	Marketing and promotional costs	80.00
Research & Development	Costs of new product development	300.00
Provision for Doubtful Debts	Reserve for potential bad debts	50.00
Income Tax	Corporate tax liability	180.00
Dividends	Payouts to shareholders	200.00