

*Shri Niketan Arts Commerce
College, Nagpur*

**MAJOR- INTRODUCTION TO
ACCOUNTING**

B. COM. SEMESTER 1

(ACCOUNTING & TAXATION)

Unit III-

Rectification of Errors

PRESENTED BY-

DR. BHARTI SUDARSHAN GOSWAMI

(M.COM, M.A-ECO, B.ED, M.PHIL, NET, PH.D, MBA)

PROFESSOR

DEPARTMENT OF COMMERCE





Unit III: Rectification of Errors

**MEANING, TYPES & PRACTICAL
TREATMENT**

Meaning of Errors

- ▶ **Errors are mistakes committed while recording transactions**
- ▶ **They affect accuracy of accounts**

Types of Errors

- ▶ **Error of Omission**
- ▶ **Error of Commission**
- ▶ **Error of Principle**
- ▶ **Compensating Errors**

Errors Affecting Trial Balance

- ▶ **Wrong totaling of ledger**
- ▶ **Posting to wrong side of account**

Errors Not Affecting Trial Balance

- ▶ **Complete omission**
- ▶ **Wrong account debited and credited**

Rectification with Example

▶ Purchase ₹5,000 wrongly debited to Sales A/c

▶ Rectification Entry:

Purchase A/c Dr.

To Sales A/c

Suspense Account

- ▶ Prepared when Trial Balance does not tally
- ▶ Temporary account
- ▶ Balance transferred after rectification