

## CONTROL ACCOUNT

Control Account can be define as a memorandum account, the balance of which reflects the aggregate balance of many related subsidiary accounts which are part of double entry system.

It is a summary account in the ledger. The details that support the balance in the summary account are contained in a subsidiary ledger.

### ADVANTAGES OF CONTROL ACCOUNT

1. Control account helps in locating errors.
2. Fraud will become difficult.
3. They saves time.
4. It provides a checks on the accuracy of the balances in the ledgers
5. The balances of debtors and creditors can easily be calculated
6. Control account is used in detecting the missing figures
7. They allow homogenous account to be grouped together.

### DIVISIONS OF CONTROL ACCOUNT

1. Total debtors control Account or Sales ledger control Account
2. Total creditors control Account or Purchases ledger control Account

### ITEMS IN THE SALES AND PURCHASES LEDGER CONTROL ACCOUNTS.

SALES LEDGER; DEBIT ITEMS ARE; Bal b/f, credit sales, debit note issued, dishonoured cheques, discount disallowed, carriage outward,

CREDIT ITEMS ARE; Cash from customers, cheques from customer, bad debts, discount allowed, credit notes issued, bill receivables, contra or set off. e. t. c

PURCHASES LEDGER CONTROL ACCOUNTS DEBIT ITEMS; cash to suppliers, cheques to suppliers, returns outwards, credit note received, contra entry/set off,

CREDIT ITEMS; Bal b/f, credit purchases, discount received withdrawn, cash refund.

