

Accounting 1A  
Chapter 7 – Internal Control and Cash

**Online tutoring site assistance may not be used on this assignment.** Students found posting this assignment or relying on online solutions will receive a grade of 0 on the assignment and may be removed from the course.

The following table lists some of the ways for a clerk to steal cash from a business. What are some ways that management can detect and prevent the theft from occurring? Can you think of any other ways that a clerk could steal cash?

| Means to Steal Cash                                                                                                                 | Ways to Prevent/Detect Theft |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. Don't ring the sale on the cash register, and pocket the cash.                                                                   | 1.                           |
| 2. Enter the sale on the register, and then void the sale and pocket the cash.                                                      | 2.                           |
| 3. Enter a cash refund on the register and pocket the cash.                                                                         | 3.                           |
| 4. If more than one clerk uses the register, simply take the cash when no one is looking and hope that someone else will be blamed. | 4.                           |
| 5.                                                                                                                                  | 5.                           |

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Below is a listing of all of the checks written by Acme, Inc. for the last month. Compare this listing against the listing of checks that appears on the bank statement. Which checks are different and why?

**Acme, Inc – list of checks written in June**

| Check No.                             | Amount   | Check No. | Amount   | Check No. | Amount     |
|---------------------------------------|----------|-----------|----------|-----------|------------|
| 740                                   | \$237.50 | 747       | Void     | 754       | \$ 449.75  |
| 741                                   | 495.15   | 748       | \$450.90 | 755       | 272.75     |
| 742                                   | 501.90   | 749       | 640.13   | 756       | 113.95     |
| 743                                   | 761.30   | 750       | 276.77   | 757       | 407.95     |
| 744                                   | 506.88   | 751       | 299.37   | 758       | 259.60     |
| 745                                   | 117.25   | 752       | 537.01   | 759       | 901.50     |
| 746                                   | 298.66   | 753       | 380.95   | 760       | 486.39     |
| Total amount of checks issued in June |          |           |          |           | \$8,395.66 |

Checks included on the Bank Statement for the month of June

| * --- CHECKS AND OTHER DEBITS --- * |        |         |        |
|-------------------------------------|--------|---------|--------|
| No. 731                             | 162.15 | No. 736 | 345.95 |
| No. 739                             | 60.55  | No. 740 | 237.50 |
| No. 741                             | 495.15 | No. 742 | 501.90 |
| No. 743                             | 671.30 | No. 744 | 506.88 |
| No. 745                             | 117.25 | No. 746 | 298.66 |
| No. 748                             | 450.90 | No. 749 | 640.13 |
| No. 750                             | 276.77 | No. 751 | 299.37 |
| No. 752                             | 537.01 | No. 753 | 380.95 |
| No. 754                             | 449.75 | No. 755 | 272.75 |
| No. 757                             | 407.95 | No. 760 | 486.39 |

Indicate what checks were:

| On Acme's list but not on the bank statement | On the Bank Statement but not on Acme's list for June | Had different Amounts listed |
|----------------------------------------------|-------------------------------------------------------|------------------------------|
| 1. No 756                                    | 1. No 731                                             | 1.                           |
| 2.                                           | 2.                                                    |                              |
| 3.                                           | 3.                                                    |                              |