

Meaning of Rectification of Error

To revise a mistake and make amends for it is known as “Rectification of Errors”. Rectification of Errors is basically of two types. One of the most common types of errors are committed on both sides of an entry. This does not influence the trial balance and can be rectified by making a journal entry.

These mistakes can occur while posting the journal entries to the ledger accounts, classifying these accounts, and carrying the balance forward, etc. We will learn in-depth about the types of these errors in our following section.

Types of Rectification of Errors

Errors of omission: These errors occur in cases like when the entire transaction has been omitted from the books of accounts. From the word 'omitted' this error got the name 'Errors of Omission'. This normally happens when the transaction is not recorded in the books of the original entry.

Errors of commission: These errors happen due to any wrong committed by the accountant. Again, from the word 'commission' the error got its name as 'Errors of Commission'. This might happen due to the wrong balances in an account, wrong posting of other accounts, the wrong carry forwards, wrong totalling, etc.

Errors of principle: Errors of principle are committed in those cases where a distinction between the revenue and the capital item is not differentiated. This is the error of principle when the accountant denies accepting the principle of common accounting practices.

Compensating errors: As indicated by the name, compensating errors are those errors which naturally compensate each other.

Trial Balance and Rectification of Errors

In case of an trial balance, we know that at least one error has occurred.

The error or the errors have occurred at one of those stages in the accounting process, while:

- Totalling The Subsidiary Books
- Posting The Journal Entries In Their Respective Ledger
- Calculating Its Account Balances
- Posting The Account Balances To The Trial Balance
- At The Time Of Totalling The Trial Balance Columns.

**Credit sale of rs 1700 to Mohan was recorded
in The purchase book**

Right	Mohan A/C To sales A/C	Dr.	1700	1700
Wrong	Purchase a/c To Mohan A/C	Dr.	1700	1700
Rectify	Mohan A/C To Purchase A/C To sales A/C	Dr.	3400	1700 1700

Credit sale of old Machinery to Sohan for rs 1700

Was entered in the sales book for rs 7100

Right	Sohan A/C To Machinery A/C	Dr.	1700	1700
Wrong	Sohan A/C To Sales A/C	Dr.	7100	7100
Rectify	Sales A/C To Sohan A/C To Machinery A/C	Dr.	7100	5400 1700

**A purchase of goods from Ram amounting to rs 1500 has
Been wrongly passed through the sales book.**

Right	Purchase A/C To Ram A/C	Dr.	1500	1500
Wrong	Ram A/C To Sales A/C	Dr.	1500	1500
Rectify	Sales A/C Purchase A/C To Ram A/C	Dr.	1500 1500	3000

Credit sale of rs 1700 to Ram was recorded as rs 7100

Right	Ram A/C To sales A/C	Dr.	1700	1700
Wrong	Ram To Sales A/C	Dr.	7100	7100
Rectify	Sales A/C To Ram A/C	Dr.	5400	5400

Credit sale of rs 1700 to Mohan was recorded as Krishna

Right	Mohan A/C To sales A/C	Dr.	1700	1700
Wrong	Krishna a/c To Sales A/C	Dr.	1700	1700
Rectify	Mohan A/C To Krishna A/C	Dr.	1700	1700

Credit sale of rs 1700 to Asha was recorded as sales to Anshul as rs 7100

Right	Asha A/C To sales A/C	Dr.	1700	1700
Wrong	Anshul a/c To Sales A/C	Dr.	7100	7100
Rectify	Sales A/C Asha A/C To Anshul A/C	Dr. Dr	5400 1700	7100

A return of goods worth rs 1100 to Mohan was passed through the sales return book

Right	Mohan A/C Dr. To Purchase Return A/C	1100	1100
Wrong	Sales Return a/c Dr. To Mohan A/C	1100	1100
Rectify	Mohan A/C Dr. To Purchase Return A/C To Sales Return a/c	2200	1100 1100

A return of goods worth rs 500 by Ganesh were entered in purchase return book.

Right	Sales Return A/C To Ganesh A/C	Dr.	500	500
Wrong	Ganesh A/C To Purchase Return A/C	Dr.	500	500
Rectify	Purchase Return A/C Sales Return A/C To Ganesh A/C	Dr. Dr.	500 500	1000

A credit sales of goods of rs 1200 to Ramesh has been wrongly passed through the Purchase book

Right	Ramesh A/C To Sales A/C	Dr.	1200	1200
Wrong	Purchase a/c To Ramesh A/C	Dr.	1200	1200
Rectify	Ramesh A/C To Purchase A/C To Sales A/C	Dr.	2400	1200 1200