14 A business prepared its statement of profit or loss for the year ended 31 December.

During that year, on 30 April, a non-current asset had been sold. The following information is available in respect of this item.

cost	$130 000
sale proceeds	$53 500
residual value	$10 000
carrying value at 1 January	$52 500
expected life	8 years

Non-current assets are depreciated using the straight-line method, with depreciation being charged for each month of ownership.

No accounting entries had been made in respect of this non-current asset for the year ended 31 December.

What was the effect of this omission on the profit for the year?

A $1000 understated

B $5000 overstated

C $6000 understated

D $9000 overstated

15 The owner of a trading business prepared draft financial statements for the year ended 31 December.

It was then discovered that the following transactions occurring during the year had **not** been recorded.

1 A cheque for $500 had been received for commission earned.

2 Cash amounting to $2900 was received for a sale of goods which had cost $3000.

3 Inventory costing $5000 had been taken from the business by the owner for personal use.

4 Non-current assets with a carrying value of $6500 had been sold for $7000 cash.

Which transactions will affect **both** the gross profit for the year and the total value of net assets on the statement of financial position?

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4