

- 1 The employees of a company are skilled and efficient. Although they are regarded as a human asset of the company, no value for them has been recorded in the financial statements.

Which accounting concept has been applied?

- A duality
- B money measurement
- C realisation
- D substance over form

- 2 Which costs are **not** a part of capital expenditure when purchasing a new machine?

- 1 delivery costs
- 2 installation costs
- 3 machine operator training costs

- A 1 and 2      B 2 and 3      C 2 only      D 3 only

- 3 A business had a non-current asset with a net book value of \$18 000 at 31 December 2018. It had been purchased during the year ended 31 December 2017.

Depreciation is charged at a rate of 25% per annum using the reducing balance method. A full year's depreciation is charged in the year of purchase.

What was the original cost of the non-current asset?

- A \$22 500      B \$24 000      C \$27 000      D \$32 000

- 4 The following information relates to the disposal of a non-current asset.

	\$
profit on disposal	5 200
cost of non-current asset sold	14 400
sales proceeds	6 800

What was the accumulated depreciation on the non-current asset sold?

- A \$1600      B \$2400      C \$7600      D \$12 800