

This image shows a full page of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

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**(b)** Prepare the statement of financial position (balance sheet) for Kirsty at 30 April 2011.

This image shows a full page of primary-ruled paper. It features multiple sets of horizontal dashed lines spaced evenly down the page, providing a guide for handwriting practice. The lines are thin and light gray, set against a plain white background. There are no margins, text, or other markings on the page.



During May 2011 Kirsty purchased new machinery with the following pricing details.

	\$
List price	60 000
10% trade discount	6 000
Delivery costs	1 000
Installation costs	2 000

The machinery maintenance costs are estimated to be \$5000 per annum.

Kirsty plans to keep the machinery for 5 years and then dispose of it for an estimated residual value of \$4000.

### REQUIRED

- (c) Calculate the cost figure which should be used as the basis for depreciation.

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- (d) Calculate the annual depreciation charge using the straight line method.

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- (e) Prepare the Disposal of Machinery Account if the machinery is sold for \$12 000 at the end of **four** years.

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