

- 8 Which transaction would increase the current assets of a business?
- A** paying credit suppliers \$750 cash  
**B** purchasing a non-current asset on credit for \$5000  
**C** purchasing inventory on credit for \$1000 and selling immediately for \$2000 cash  
**D** selling inventory of \$1000 at cost price on credit
- 9 A business has a bank balance of \$4800. It pays for materials invoiced at \$3000 less trade discount of 30% and cash discount of 10%. A cheque for \$450 is received from a customer.
- What is the bank balance after these transactions?
- A** \$2250              **B** \$2460              **C** \$3360              **D** \$3450
- 10 A sole trader pays private expenses from the business bank account and records them as drawings.
- Which accounting principle is applied?
- A** business entity  
**B** going concern  
**C** matching  
**D** prudence
- 11 A draft statement of financial position shows a bank balance of \$1400. The following information is now available.

	\$
cheques issued but not yet cleared by the bank	150
bank charges not in the cash book	45
lodgements in the cash book but not on the bank statement	220

Which figure is shown on the bank statement?

- A** \$1285              **B** \$1355              **C** \$1425              **D** \$1515