

- 7** A bank statement shows a credit balance of \$1500.

A payment of \$500 and a receipt of \$1250 were included in the cash book but have not yet appeared on the bank statement.

Bank interest payable of \$1100 had been correctly recorded in the cash book but due to a bank error had been recorded in the bank statement as \$1000.

What is the cash book balance?

- A** \$650 **B** \$850 **C** \$2150 **D** \$3350

- 8** A company calculates a draft profit for the year of \$88 000. This includes the profit margin of \$3000 on goods sold on credit but not yet paid for. It also includes \$500 profit taken on goods sold to a customer on a sale or return basis.

What is the correct gross profit?

- A** \$84 500 **B** \$85 000 **C** \$87 500 **D** \$91 000

- 9** The draft profit for the year for a sole trader was \$108 000 before the following were taken into account.

- 1 The provision brought forward for doubtful debts was \$1850. The provision to carry forward should be \$2250.
- 2 Depreciation of non-current assets had been undercharged by \$2000.
- 3 An accrual of \$600 for repairs had been treated as a prepayment.

What was the correct profit for the year?

- A** \$104 400 **B** \$105 200 **C** \$109 000 **D** \$111 600

- 10** The following balance appeared on a trial balance at 31 December 2015, after the preparation of the company's financial statements.

	\$
stationery	8000 debit

What did this represent?

- A** an amount due to the company's stationery supplier for 2015
B a prepayment made to the stationery supplier at 31 December 2015
C inventory of stationery at 31 December 2014
D the annual stationery charge for 2015