

- 16** The following is an extract from the statement of financial position for a company at 31 December 2012.

	cost \$	depreciation \$	net book value \$
non-current assets	250 000	95 000	155 000

The assets have a residual scrap value of \$12 500.

Depreciation policy is provided using the reducing balance method at a rate of 25% per annum.

What is the depreciation charge for the year ended 31 December 2013?

- A** \$35 625 **B** \$38 750 **C** \$59 375 **D** \$62 500

- 17** The following financial information is available.

	\$
inventory at 1 January 2013	800
inventory at 31 December 2013	1 010
ordinary goods purchased	9 260
carriage inwards	130
revenue	18 000
discount received	700
other costs	3 880

What are the values of gross profit and profit for the year?

	gross profit \$	profit for the year \$
A	8 820	4 240
B	8 820	5 640
C	9 080	5 900
D	9 520	5 640