

- 6 The table shows information from a business at 30 November 2008.

| | \$ |
|---|--------|
| Credit sales invoiced during financial year | 80 000 |
| Goods despatched to customers in November 2008 and invoiced in December 2008 | 5 000 |
| Goods included in sales for November 2008 on a sale or return basis, but only sold in December 2008 | |
| – at invoice price | 10 000 |
| – at cost price | 8 000 |

Which amount will appear in the trading account as sales for the year ended 30 November 2008?

- A** \$75 000 **B** \$77 000 **C** \$83 000 **D** \$85 000

- 7 In preparing the profit and loss account, only realised profits and not anticipated profits must be brought into account. In addition, all possible losses must also be taken into account.

Which accounting principle does this describe?

- A** accruals
B consistency
C going concern
D prudence

- 8 Entries of \$700 in the discount received account had not been entered in the creditors' ledger. During the year a machine was sold for \$1000. There was only one entry made and it was a credit in the bank account.

What is the balance on the suspense account?

- A** \$1700 credit
B \$1700 debit
C \$2700 credit
D \$2700 debit