

- 7 Land and buildings are shown in the books of account at a cost price of \$200 000 with accumulated depreciation of \$40 000.

The property is revalued at \$340 000.

Which entries record this transaction?

| | account | debit \$ | credit \$ |
|----------|---|-------------------|--------------|
| A | land and buildings income statement | 140 000 | 140 000 |
| B | land and buildings provision for depreciation income statement | 140 000 40 000 | 180 000 |
| C | land and buildings revaluation reserve | 140 000 | 140 000 |
| D | land and buildings provision for depreciation revaluation reserve | 140 000 40 000 | 180 000 |

- 8 At 1 January 2014 a business had prepaid rent of \$700. In July it paid an invoice for \$9300 and on 31 December it transferred an expense of \$9000 to the income statement.

Which value appeared in the statement of financial position at 31 December 2014?

- A** \$400 other payables
 - B** \$400 other receivables
 - C** \$1000 other payables
 - D** \$1000 other receivables
- 9 Which cost should be treated as revenue expenditure?
- A** installing a new sound system in a car
 - B** purchase of a trailer for a car
 - C** replacing a damaged engine of a car
 - D** replacing an old car with a new one