

- 4 The following information is available for a business.

	\$
trade receivables at 1 January	63 000
provision for doubtful debts at 1 January	1 890
total credit sales for January	327 000
cash from customers after 4% settlement discount	324 000

A provision for doubtful debts of 2% is to be made.

What adjustment is required in the income statement?

- A \$570 credit
  - B \$570 debit
  - C \$840 credit
  - D \$840 debit
- 5 The following information relates to non-current assets.

	\$
net book value at 1 January 2013	20 000
net book value at 31 December 2013	18 000
receipts from disposals	3 500
assets bought	9 700
loss on sale	650

What is the depreciation charge for the year?

- A \$3550      B \$4200      C \$7550      D \$8200