14 A business prepared its statement of profit or loss for the year ended 31 December.

During that year, on 30 April, a non-current asset had been sold. The following information is available in respect of this item.

cost	\$130 000
sale proceeds	\$53 500
residual value	\$10 000
carrying value at 1 January	\$52 500
expected life	8 years

Non-current assets are depreciated using the straight-line method, with depreciation being charged for each month of ownership.

No accounting entries had been made in respect of this non-current asset for the year ended 31 December.

What was the effect of this omission on the profit for the year?

A \$1000 understated

B \$5000 overstated

C \$6000 understated

D \$9000 overstated

15 The owner of a trading business prepared draft financial statements for the year ended 31 December.

It was then discovered that the following transactions occurring during the year had **not** been recorded.

1 A cheque for \$500 had been received for commission earned.

2 Cash amounting to \$2900 was received for a sale of goods which had cost \$3000.

3 Inventory costing \$5000 had been taken from the business by the owner for personal use.

4 Non-current assets with a carrying value of \$6500 had been sold for \$7000 cash.

Which transactions will affect **both** the gross profit for the year and the total value of net assets on the statement of financial position?

A 1 and 2 **B** 1 and 4 **C** 2 and 3 **D** 3 and 4