

- 20** A vehicle is sold for \$1500. It cost \$5000 and \$3000 depreciation had been provided on it.

Which entry is needed to close the disposal account?

	debit	\$	credit	\$
<b>A</b>	disposal account	500	income statement	500
<b>B</b>	disposal account	3500	income statement	3500
<b>C</b>	income statement	500	disposal account	500
<b>D</b>	income statement	3500	disposal account	3500

- 21** A business is reviewing credit limits for its customers.

What would result in a customer's credit limit being reduced?

- A** Cash discounts are always taken by the customer.
- B** Sales have increased to that customer.
- C** The customer always pays their debt on time.
- D** The customer has lost a major contract.

- 22** The table shows extracts from the trial balance of a business at 31 December 2012.

	\$
ordinary share capital	20 000
share premium	40 000
long-term loan (repayable 2022)	30 000
bank overdraft	60 000
4% non-redeemable preference share capital	50 000
7% debentures 2017	70 000

What is the total of non-current liabilities in the statement of financial position?

- A** \$100 000      **B** \$150 000      **C** \$160 000      **D** \$210 000