

- 1 The table gives data about rental income for the year ended 31 March 2011.

	\$
rents owing 31 March 2010	1 400
rents received in advance 31 March 2010	1 300
cash received	13 700
rents written off	560
rents owing at 31 March 2011	1 750
rents paid in advance at 31 March 2011	1 600

Which value of rental income will appear in the income statement for the year ended 31 March 2011?

- A** \$14 010 **B** \$14 210 **C** \$14 310 **D** \$14 510
- 2 Expenditure on a machine during a year has included the following.

	\$
insurance costs	2 400
new engine – machine will now produce more products per hour	22 300
cleaning costs	7 200

How much of this expenditure should be treated as capital expenditure?

- A** none **B** \$22 300 **C** \$24 700 **D** \$31 900
- 3 What should companies **not** show as non-current assets in their balance sheets?
- A** plant bought on hire purchase
- B** plant fully depreciated
- C** plant held on finance leases
- D** plant held on operating leases