

**12** Which transaction would increase the current assets of a business?

- A** paying invoices \$950, after receiving \$50 cash discount
- B** purchasing a machine on credit for \$1200
- C** purchasing inventory for \$1100 cash and selling it on credit for \$1500
- D** selling inventory with an original cost of \$800 at below cost price

**13** The following summarised information has been taken from the balance sheet of a partnership.

	\$
non-current assets	42 000
capital accounts	36 000
current accounts (debit)	5 000
current liabilities	7 000
non-current liabilities	15 000

What is the amount of current assets?

- A** \$6000      **B** \$11 000      **C** \$17 000      **D** \$21 000

**14** What is the main use of a computerised age analysis of debtors?

- A** aid debt collection procedures
- B** match sales invoices against orders
- C** reconcile sales ledger balances
- D** show credit notes issued

**15** A manufacturing company has the following balances at its year end.

	\$
closing inventory of raw materials	24 500
direct manufacturing wages	162 800
purchases of raw materials	85 200
supervisors' wages	44 000
opening inventory of raw materials	27 800

What is the prime cost for the year?

- A** \$244 700      **B** \$248 000      **C** \$251 300      **D** \$295 300