

- 1 Which actions are taken in respect of the totals of a three-column cash book at the end of an accounting period?

	cash and bank columns	discount columns
A	balanced	balanced
B	balanced	totalled
C	totalled	balanced
D	totalled	totalled

- 2 Which item is an example of capital expenditure?

- A** cost of repairs to an office building
- B** cost of repainting business name on delivery van
- C** legal cost paid to purchase an office building
- D** legal cost to collect outstanding receivables

- 3 On 1 July 2021, Tim bought a delivery van for \$10 000. He paid an additional \$900 to have racks fitted inside, and \$800 for a year's insurance.

Tim provides for depreciation at the rate of 10% per annum. A full year's depreciation is charged in the year of acquisition.

What was the total for expenses recorded in Tim's income statement in respect of the van for the year ended 30 September 2021?

- A** \$1290 **B** \$1690 **C** \$2100 **D** \$2500

- 4 A business has a year end of 31 December. It purchased a non-current asset on 1 January 2020 for \$100 000. The asset was depreciated using the reducing balance method at 20% per annum. It was sold for \$40 000 on 1 January 2022.

What was the loss on disposal?

- A** \$20 000 **B** \$24 000 **C** \$40 000 **D** \$60 000

- 5 What is entered in the sales ledger control account?

- 1 cash sales
- 2 increase in provision for doubtful debts
- 3 returns inwards

- A** 1 and 2 **B** 1 and 3 **C** 2 and 3 **D** 3 only