

**16** An invoice for purchases was credited to the purchases account.

How is the balance on the purchases account corrected?

- A** decrease by the value of the invoice
- B** decrease by twice the value of the invoice
- C** increase by the value of the invoice
- D** increase by twice the value of the invoice

**17** Which item may appear in the manufacturing account of a business?

- A** carriage inwards
- B** carriage outwards
- C** discounts allowed
- D** discounts received

**18** Inventory is valued at the lower of cost and net realisable value.

What is net realisable value?

- A** selling price
- B** selling price less cash discount
- C** selling price less further cost to completion
- D** selling price less trade discount

**19** A trader runs a manufacturing business.

Which department should it close?

- A** department 1 where contribution exceeds fixed costs
- B** department 2 where contribution is less than fixed costs
- C** department 3 where revenue exceeds marginal costs
- D** department 4 where revenue is less than marginal costs