

- 1 Which concept requires that revenue is only recorded in a business's books of account when it is certain of being received?
- A business entity
 - B going concern
 - C materiality
 - D realisation

- 2 A depreciated non-current asset is revalued upwards.

What is the effect of this?

	capital reserve	revenue reserve
A	decrease	no effect
B	increase	no effect
C	no effect	decrease
D	no effect	increase

- 3 The net book value of motor vehicles at the start of the year was \$150 000.

During the year a motor vehicle was sold for \$26 000. There was a profit on disposal of \$2000.

Depreciation is calculated at 10% on the opening net book value.

The net book value at the end of the year was \$145 000.

What was the cost of motor vehicles purchased during the year?

- A** \$33 500 **B** \$34 000 **C** \$35 500 **D** \$36 000

- 4 A company's accounting year end is 30 June. On 1 October 2016 it purchased a machine for \$16 000. This was sold for \$7000 on 31 March 2019.

The company depreciates its machinery at 15% per annum on cost. Depreciation is charged on a month-by-month basis.

What was the profit or loss on disposal?

- A** \$1800 loss
- B** \$1800 profit
- C** \$3000 loss
- D** \$3000 profit