

- 5 At the beginning of the year a business has a provision for doubtful debts of \$2600. At the year end the provision is to be 5% of trade receivables.

The balance on the sales ledger control account at the year end is \$69 200, before writing off a bad debt of \$480.

The business operates a separate bad debts account.

What is the entry in the income statement for the provision for doubtful debts?

- A** \$836 credit **B** \$836 debit **C** \$860 credit **D** \$860 debit

- 6 The table below shows how a non-current asset appears in the statement of financial position.

	\$
non-current asset at cost	120 000
accumulated depreciation	<u>(18 000)</u>
net book value	<u>102 000</u>

The asset is revalued to \$136 000.

What is the journal entry to record the revaluation?

		debit \$	credit \$
A	non-current asset at cost income statement	16 000	16 000
B	non-current asset at cost accumulated depreciation revaluation reserve	16 000 18 000	34 000
C	non-current asset at cost revaluation reserve	34 000	34 000
D	non-current asset at cost revaluation reserve	16 000	16 000

- 7 A vehicle was part exchanged for a new vehicle.

Which entries record the part exchange?

	account debited	account credited
A	cash	motor vehicles
B	disposal	motor vehicles
C	motor vehicles	cash
D	motor vehicles	disposal