

- 2 Rakesh prepared his business's end of year financial statements on 30 September 2021.

**REQUIRED**

(a) Define the following accounting concepts. Give **one** example of each.

(i) Matching

Definition .....

.....

Example .....

.....

[2]

(ii) Going concern

Definition .....

.....

Example .....

.....

[2]

(iii) Materiality

Definition .....

.....

Example .....

.....

[2]

### Additional information

On 30 September 2021, Rakesh decided to write off an irrecoverable debt of \$730 from the account of JD Supplies.

### REQUIRED

- (b) Prepare the journal entry in Rakesh's books of account to record the write off of the irrecoverable debt. A narrative is **not** required.

#### Journal

	Dr \$	Cr \$

[2]

### Additional information

Rakesh receives rent from a tenant. The following details are available for the year ended 30 September 2021.

- 1 At 1 October 2020, the tenant owed rent \$1200.
- 2 During the year ended 30 September 2021, the tenant paid rent of \$9000 by bank transfer.
- 3 At 30 September 2021, rent of \$1125 had been received in advance.

### REQUIRED

- (c) Prepare the rent receivable account in Rakesh's books of account.

#### Rent receivable account

	\$		\$

[4]

**Additional information**

The business owns equipment which cost \$24 000 when it was purchased on 1 October 2018. The policy is to provide depreciation at 20% per annum using the reducing balance method.

**REQUIRED**

- (d) Prepare the provision for depreciation of equipment account for the year ended 30 September 2021.

## Provision for depreciation of equipment account

	\$		\$

[3]