

- 1** Which asset is often revalued in a business's accounts?
- A** buildings
 - B** inventory
 - C** IT equipment
 - D** trade receivables
- 2** Which statement is correct?
- A** Carriage inwards is a credit.
 - B** Carriage outwards is a debit.
 - C** Purchase returns is a debit.
 - D** Sales returns is a credit.
- 3** The principle of prudence in the preparation of financial statements is practised through the application of which action?
- A** create additional reserves
 - B** exclude unpaid credit sales
 - C** overstate the liabilities
 - D** provide for anticipated losses
- 4** What is evidence that a company's financial statements are true and fair?
- A** The directors have signed off the financial statements.
 - B** The profit has been agreed with the tax authorities.
 - C** They are filed on time.
 - D** They follow generally accepted accounting principles.