2 Alex's fixed asset accounts and provision for depreciation on fixed asset accounts for the year ended 30 April 2008 were as follows:

	Fu	rniture and \$000	equipment a	ccount	\$000
2007		ΨΟΟΟ	2007		ψοσο
1 May	Balance b/d	2 700	5 July	Disposal	450
3 June	Bank	720	2008	·	
			30 April	Balance c/d	<u>2 970</u>
0000		<u>3 420</u>			<u>3 420</u>
2008 1 May	Balance b/d	2 970			
ı ıvıay	Dalarice D/U	2 970			
	Provision for dep		n furniture and	d equipment account	
0007		\$000	0007		\$000
2007	Diamagal	245	2007	Dalamaa h/d	0.45
5 July 2008	Disposal	345	1 May 2008	Balance b/d	945
30 April	Balance c/d	897	30 April	Profit & loss	297
00 / .p	24141100 0/4	<u>1 242</u>	00 / .p	Tronc & 1000	<u>1 242</u>
			1 May	Balance b/d	897
		Motor ve	hicles accour	nt .	
		\$000	indica accour	it.	\$000
2007		4000	2007		Ţ.
1 May	Balance b/d	1 560	3 Oct	Disposal	330
3 Oct	Bank	570	2008		
		0.400	30 April	Balance c/d	<u>1 800</u>
2008		<u>2 130</u>			<u>2 130</u>
2006 1 May	Balance b/d	1 800			
1 Way	Balarioo b/a	1 000			
	Provision for	r depreciati	on on motor v	ehicles account	
		\$000			\$000
2007	D : .	005	2007	5	075
3 Oct	Disposal	285	1 May	Balance b/d	675
2008			2008		
30 April	Ralance c/d	840	30 April	Profit & Jose	450
30 April	Balance c/d	<u>840</u> 1 125	30 April	Profit & loss	<u>450</u> <u>1 125</u>

ALTERNATIVE PRESENTATION USING RUNNING BALANCE

Furniture	and	eauir	oment	account

		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			2 700 Dr
3 June	Bank	720		3 420
5 July	Disposal		450	2 970

Provision for depreciation on furniture and equipment account

2007	·	Dr \$000	Cr \$000	Balance \$000
1 May 5 July 2008	Balance b/d Disposal	345		945 Cr 600
30 April	Profit and loss		297	897
	Motor v	ehicles acco	unt	
		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			1 560 Dr
3 Oct	Disposal		330	1 230
	Bank	570		1 800
D	rovision for donrocia	tion on motor	vohicles acc	eount

Provision for depreciation on motor vehicles account

		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			675 Cr
3 Oct	Disposal	285		390
2008				
30 Apr	Profit and loss		450	840

During the year ended 30 April 2009 the following transactions took place:

- On 1 June 2008 new equipment was purchased for \$540 000.
 On 3 December 2008 new furniture was purchased for \$80 000.
 On 3 September 2008 equipment which had been purchased on 31 March 2006 for \$300 000 was sold for \$132 000.
- 2 On 1 February 2009 three new motor vehicles were purchased for \$80 000 each. On the same date a vehicle which had cost \$56 000 on 15 May 2005 was sold for \$20 000.

A full year's depreciation is provided for on all fixed assets in use at the end of the financial year but none is provided for in the year of disposal of a fixed asset.

The rates of depreciation applied on cost for the year ended 30 April 2008 continue to be applied for the year ended 30 April 2009.

REQUIRED

(a)	Prepare the following accounts for the year ended 30 April 2009:		
	(i)	Furniture and equipment	
		[5]	
	(ii)	Motor vehicles	
		[4]	
((iii)	Provision for depreciation on furniture and equipment	
		[4]	

(i	iv)	Provision for depreciation on motor vehicles	
			 [4]
			ניין
((v)	Disposal of furniture and equipment	
			••••
			[4]
()	vi)	Disposal of motor vehicles.	
			••••
			[4]

(b)	Explain the term 'depreciation' and give one example.
	רבו
	[5]