

- 8 The amount of the expense for rent and rates recorded in the income statement for the year ended 31 December 2021 was \$76 230.

The following information was also available.

|               | balance brought forward<br>1 January 2021<br>\$ | balance carried forward<br>31 December 2021<br>\$ |
|---------------|---|---|
| rent accrued  | 4000  | 6500  |
| rates prepaid | 770   | 820   |

How much was paid from the bank account for rent and rates during the year ended 31 December 2021?

- A** \$73 680      **B** \$73 780      **C** \$78 680      **D** \$78 780

- 9 Which statements regarding the financial statements of a sole trader are correct?

- 1 Cash drawings for the year are recorded in the income statement.
- 2 Gross profit for the year is shown in the statement of financial position.
- 3 Prepayments only appear in the income statement.
- 4 Trade receivables appear in the statement of financial position.

- A** 1 and 2      **B** 2 and 3      **C** 3 and 4      **D** 4 only

- 10 A business provided the following information regarding its first year of trading.

|   | \$     |
|---|--------|
| credit sales  | 93 730 |
| receipts from credit customers                            | 76 500 |
| irrecoverable debt written off                            | 150    |
| contra recorded between purchases ledger and sales ledger | 80     |

The net trade receivables recorded in the statement of financial position at the end of the year were \$16 660.

What was the balance on the provision for doubtful debts account at the end of the year?

- A** \$340      **B** \$490      **C** \$500      **D** \$650