

**13** What is the normal treatment of life membership subscriptions?

- A** credit the income and expenditure account in the year of receipt
- B** credit the life membership fund with the year's receipts and transfer a proportion each year to the income and expenditure account
- C** debit the income and expenditure account in the year of receipt
- D** debit the life membership fund with the year's receipts and transfer a proportion each year to the income and expenditure account

**14** A business owner suspects a loss of cash has occurred. He provides the data shown.

	\$
cash balance at the start of the month	150
cash balance at the end of the month	100
cash banked	10 200
cash sales for the month	10 500

How much cash has been lost?

- A** \$200                      **B** \$250                      **C** \$300                      **D** \$350

**15** A club's treasurer has calculated that there is a deficit in the Income and Expenditure account.

How is this described in the Income and Expenditure account?

- A** an excess of expenditure over income
- B** an excess of income over expenditure
- C** an excess of payments over receipts
- D** an excess of receipts over payments

**16** X has not kept proper records for his business.

Between 31 December 2004 and 31 December 2005 his net assets had increased by \$30 000.

On 1 January 2005, X brought into the business his private car which had cost \$12 000 but now has a re-sale value of \$8000.

Drawings for the year ended 31 December 2005 were \$16 000.

What was X's profit for the year ended 31 December 2005?

- A** \$22 000                      **B** \$26 000                      **C** \$34 000                      **D** \$38 000