

- 10** The table shows information relating to a business for the year ended 31 December 2012.

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trade receivables at 1 January 2012	280 000
bad debts written off	8 500
cash from credit customers	796 000
cash sales	69 500
credit sales	718 000
increase in provision for doubtful debts	9 500
returns inwards on credit transactions	7 500

What is the balance on the sales ledger control account at 31 December 2012?

- A** \$176 500      **B** \$186 000      **C** \$195 500      **D** \$255 500

- 11** A draft income statement shows a profit for the year of \$75 000. Discounts allowed of \$4 000 have been treated as discounts received and discounts received of \$7 000 have been treated as discounts allowed.

What is the correct profit?

- A** \$69 000      **B** \$72 000      **C** \$78 000      **D** \$81 000

- 12** A business allocates the following expenses to departments on the basis either of sales or floor area.

- 1 advertising
- 2 carriage out
- 3 heating
- 4 rent

Which expenses are allocated on the basis of floor area?

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

- 13** L and M are in partnership.

Which item should appear in the partnership appropriation account?

- A** additional capital contributed by M  
**B** cash drawings of L and M during the year  
**C** salary due to L  
**D** salary paid to M's wife