4 Which accounting policies illustrate the matching principle?

1 charging depreciation on non-current assets

2 revaluing non-current assets on a irregular basis

3 using the reducing balance method of depreciation

A 1, 2 and 3

B 1 and 2 only

C 1 and 3 only

D 2 and 3 only

5 The table shows information for a business at 31 March in Year 1.

	$
inventory	16 100
trade payables	5 200
other payables	2 000

The information excludes the purchase of $3700 of goods. These goods were delivered on 31 March Year 1, but the invoice states that legal title to the goods does not pass until payment is received.

Which values should appear in the balance sheet on 31 March Year 1?

	inventory $	trade payables $	other payables $
A	16 100	5200	2000
B	16 100	5200	5700
C	19 800	5200	5700
D	19 800	8900	2000

6 A company values its loose tools for inclusion in its balance sheet.

The tools are not very valuable and the company uses estimating when valuing them.

Which accounting principle is being applied?

A accruals

B consistency

C going concern

D materiality