

- 1 Which concept is identified by the accounting equation $\text{assets} = \text{capital} + \text{liabilities}$?
- A** business entity
B duality
C going concern
D realisation
- 2 What are causes of depreciation on non-current assets?
- 1 change in its cost of repair
 2 change in its market value
 3 changes in technology
- A** 1 and 2 **B** 1 only **C** 2 and 3 **D** 3 only
- 3 June purchased a new machine. She depreciated it at a rate of 40% per annum using the reducing balance method. After two years its net book value was \$3600.

What was the purchase price of the machine?

- A** \$7056 **B** \$9216 **C** \$10 000 **D** \$22 500

- 4 The following information relates to the motor vehicles of a business.

	1 January 2018 \$	31 December 2018 \$
net book value	398 000	480 000

During 2018 the following occurred.

- 1 Additional motor vehicles costing \$195 000 were purchased.
 2 A motor vehicle (original cost \$80 000) was sold for \$24 000 at a profit of \$2000.

What was the depreciation charge for 2018?

- A** \$87 000 **B** \$89 000 **C** \$91 000 **D** \$113 000