

- 1 A business provides the following information.

| | debit \$ | credit \$ |
|------------------|-------------|--------------|
| prepaid expenses | 4 620 | |
| accrued expenses | | 8 125 |
| bank balances | 14 920 | 3 612 |
| trade payables | | 18 148 |
| loan (10 years) | | 15 000 |

What is the total for current liabilities?

- A** \$26 273 **B** \$26 380 **C** \$29 885 **D** \$44 885
- 2 The provision for doubtful debts at 1 January 2013 was \$1580.
- Trade receivables at 31 December 2013 were \$44 750.
- An irrecoverable debt of \$12 500 had not been written off.
- The provision for doubtful debts was 5%.
- Which entry for doubtful debts was included in the income statement for the year ended 31 December 2013?
- A** credit \$32.50
B credit \$657.50
C debit \$32.50
D debit \$657.50
- 3 On 1 October 2011 a company purchased machinery for \$26 000. It was depreciated at a rate of 20% per annum using the reducing balance method.
- On 30 September 2013 the machinery was sold for \$12 000.
- What is the profit or loss on disposal?
- A** \$3600 loss **B** \$3600 profit **C** \$4640 loss **D** \$4640 profit