

- 4 The following information is available in respect of the purchase of a new machine.

	\$
machine cost	80 000
less 10% trade discount	8 000
	72 000
delivery cost	1 200
installation cost	1 800
annual maintenance cost	4 000

The business plans to keep the machine for 5 years. It is expected to be sold for \$5000.

What will be the annual depreciation charge using the straight-line method?

- A** \$13 400      **B** \$14 000      **C** \$14 800      **D** \$15 600

- 5 What does the debit side closing balance carried down and the credit side opening balance brought down represent in a sales ledger control account?

	debit side closing balance carried down	credit side opening balance brought down
<b>A</b>	owing from customers	owing from customers
<b>B</b>	owing from customers	owing to customers
<b>C</b>	owing to customers	owing from customers
<b>D</b>	owing to customers	owing to customers

- 6 The trial balance of a business did not agree and a suspense account was opened.

The following errors were then discovered.

- 1 The sales journal total of \$9150 had been credited to both the sales account and the sales ledger control account.
- 2 The purchases journal total of \$3450 had been entered correctly in the purchases account but as \$3350 in the purchases ledger control account.
- 3 Motor expenses of \$6450 paid by cheque had only been entered in the bank account.

What was the opening balance in the suspense account?

- A** \$15 700 credit  
**B** \$15 700 debit  
**C** \$24 650 credit  
**D** \$24 650 debit