

- 11 A sole trader had the following transactions.

	\$
returns outwards	2750
carriage inwards	4820
goods for own use	1460

What was the total effect of these transactions on the cost of sales?

- A** \$610 increase
B \$3530 increase
C \$6110 decrease
D \$9030 decrease
- 12 A sole trader's personal expenses had been paid out of the business bank account and included in his income statement.

What was the effect of this on the profit and capital?

	profit	capital
A	no effect	no effect
B	no effect	overstated
C	understated	no effect
D	understated	understated

- 13 A warehouse was damaged by fire on 31 March and some of the inventory was destroyed. The following information is available.

	\$
inventory at cost on 1 January	6 000
inventory at cost on 31 March after fire	3 200
sales during the period	14 700
purchases during the period	9 500

The business uses a mark-up of 33.33%.

What was the value of the inventory destroyed?

- A** \$1275 **B** \$1800 **C** \$2000 **D** \$2500