

- 4 The following information relates to the non-current assets of a business that was formed three years ago.

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cost at start of year 1	10 000
accumulated depreciation at end of year 3	6 000
draft profit for year 3	18 000

In calculating the draft profit for year 3, depreciation has been consistently charged using the straight-line method.

Prior to finalising the accounts, the business decided to change the method of depreciation for year 3 to the reducing balance method at a rate of 25% per annum.

What was the revised profit for year 3?

- A** \$16 000 **B** \$17 500 **C** \$18 500 **D** \$19 000

- 5 Why does a business maintain a sales ledger control account?

- A** to ensure that statements are sent out promptly to customers
- B** to record the total of discounts received
- C** to reduce the risk of irrecoverable debts
- D** to verify the arithmetical accuracy of entries in the sales ledger

- 6 Iga is worried that her book-keeper may have been forgetting to record credit notes received.

What should she do to find out?

- 1 check purchases ledger balances against statements of account
- 2 extract a trial balance showing individual purchases ledger accounts
- 3 prepare a purchases ledger control account

- A** 1 and 2 **B** 1 only **C** 2 and 3 only **D** 3 only