

- 6 The following information relates to a company's fixed assets at 31 December:

	cost price \$	disposal value \$
motor vehicles	25 000	18 000
equipment	48 000	36 000
fixtures and fittings	12 000	5 000

The company has a serious cash shortage and will cease to trade within the next two months.

What is the total value for fixed assets in the company's Balance Sheet at 31 December?

- A** \$26 000 **B** \$59 000 **C** \$85 000 **D** \$144 000

- 7 What is the calculation for capital employed?

- A** current assets – current liabilities
B fixed assets + current assets – current liabilities
C fixed assets + current assets + current liabilities
D net assets – current liabilities

- 8 A trader buys stock costing \$6000.

He is entitled to trade discount at 10 % and cash discount of 5 %.

On the same day he discovers that he can only sell the stock for \$5000.

Which amount should he record as the purchase price of the stock?

- A** \$5000 **B** \$5130 **C** \$5400 **D** \$6000

- 9 A trial balance fails to agree. The debits exceed the credits.

Which single error in the general (nominal) ledger would cause the difference?

- A** A contra between the debtors' and creditors' ledgers has been entered on the credit side of both control accounts.
B A rental receipt has been entered twice in the rent receivable account.
C The closing stock at the end of the previous period has not been entered in the stock account.
D The opening electricity accrual has been brought forward on the wrong side of the ledger account.