

- 5 During the year a business sells a non-current asset. The following information is available.

	\$
original cost	500
accumulated depreciation at date of sale	240
profit on sale	70

What are the proceeds from the sale of the non-current asset?

- A** \$170      **B** \$190      **C** \$310      **D** \$330

- 6 A customer paid a deposit in advance for goods to be supplied at a later date.

How should this be recorded in the seller's books?

	debit	credit
<b>A</b>	cash	customer
<b>B</b>	cash	sales
<b>C</b>	customer	cash
<b>D</b>	customer	sales

- 7 A business has a bank balance of \$4800. It pays for materials invoiced at \$3000 less trade discount of 30% and cash discount of 10%. A cheque for \$450 is received from a customer.

What is the bank balance after these transactions?

- A** \$2250      **B** \$2460      **C** \$3360      **D** \$3450

- 8 A business maintains control accounts as part of its double entry.

The trial balance of the business did not balance and the difference was posted to a suspense account. On investigation, the following errors were found.

The purchases journal had been overcast by \$300.

Discounts allowed of \$100 had been posted to the credit of discounts received account.

What was the balance on the suspense account **before** the correction of these errors?

- A** \$200 credit      **B** \$200 debit      **C** \$400 credit      **D** \$400 debit