

- 1 A trader keeps a full set of accounting records.

Which statement is correct?

- A Credit notes issued are recorded in the sales journal.
- B Sales invoices are recorded in the general journal.
- C The sales account is kept in the general ledger.
- D The sales journal is prepared from entries in the sales ledger.

- 2 The totals of the discount columns in a three-column cash book were debit side \$320 and credit side \$140.

What entries are made when these totals are posted to the nominal ledger?

	account debited	\$	account credited	\$
A	discounts allowed	140	discounts received	320
B	discounts allowed	320	discounts received	140
C	discounts received	140	discounts allowed	320
D	discounts received	320	discounts allowed	140

- 3 A company sold one of its delivery vehicles for \$2800 after two years of use. The original cost of the vehicle was \$6500. The company depreciates its vehicles at 30% per annum using the reducing balance method.

What was the profit or loss on disposal?

- A loss \$200
- B loss \$385
- C profit \$200
- D profit \$385

- 4 A trader depreciates loose tools using the revaluation method.

Which account is credited at the end of the year to record depreciation on loose tools?

- A depreciation of loose tools
- B disposal
- C loose tools
- D provision for depreciation of loose tools