

1 Which transaction applies the matching concept?

- A** A machine acquired on long-term rental is included in non-current assets.
- B** Computer equipment is depreciated over two years.
- C** A building is revalued following a fall in property prices.
- D** A waste-paper basket is treated as revenue expenditure.

2 A disposal account is used to record the sale of a non-current asset.

Which transactions are recorded on the credit side of the disposal account?

- A** cost, loss on disposal and sale proceeds
- B** cost, profit on disposal and sale proceeds
- C** depreciation, loss on disposal and sale proceeds
- D** depreciation, profit on disposal and sale proceeds

3 The following information was available for the disposal of a machine.

	\$
accumulated depreciation	45 000
profit on disposal	8 100
sale proceeds	75 600

What was the original cost of the machine?

- A** \$22 500
- B** \$38 700
- C** \$112 500
- D** \$128 700

4 A printing company installed a large printing press.

Which costs are capital expenditure in the first year of its operation?

- 1 installation of the press
- 2 depreciation of the press
- 3 repairs to the press
- 4 upgrades to the press

- A** 1 and 2
- B** 1 and 4
- C** 2 and 3
- D** 3 and 4