

1 Which list is a long-term source of additional funds for a limited company?

- A bank loan, bonus issue of shares, debenture issue
- B bank loan, leasing of premises, rights issue of shares
- C bonus issue of shares, leasing of premises, trade credit
- D debenture issue, rights issue of shares, trade credit

2 Which statements describe advantages of maintaining full accounting records?

- 1 A more complete assessment of business performance is possible.
- 2 Book-keeping costs are minimised.
- 3 Business managers can make more informed decisions.
- 4 Financial statements will be free from errors and inaccuracies.

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

3 Maria recorded a cheque for \$475 received from Josh, a credit customer. Josh had deducted a 5% cash discount. The cheque has now been returned as dishonoured.

What is the correct entry to record the return of the cheque in Maria's books?

	debit	\$	credit	\$
A	bank	475	Josh	500
	discount received	25		
B	Josh	500	bank	475
			discount received	25
C	bank	475	Josh	500
	discount allowed	25		
D	Josh	500	bank	475
			discount allowed	25

4 A business purchased a shop and incurred the following costs.

	\$
purchase price of the shop	680 000
legal fees incurred in the purchase of the shop	7 200
cost of initial inventory	12 500
cost of installing air conditioning	47 300

What was the total capital expenditure?

- A \$680 000 B \$687 200 C \$734 500 D \$747 000