

- 4 On 1 January Ann owed Sam \$400. She paid the amount due on 6 January after deducting a 2% cash discount.

How did Ann record this?

	account debited		account credited	
A	bank	392	Sam	400
	discount allowed	8		
B	bank	392	Sam	400
	discount received	8		
C	Sam	400	bank	392
			discount allowed	8
D	Sam	400	bank	392
			discount received	8

- 5 Why are non-current assets depreciated?
- A** to ensure that funds exist for asset replacement
- B** to show a reduction in the market values of non-current assets
- C** to show non-current assets at replacement cost in the statement of financial position
- D** to spread the cost of non-current assets over their useful lives
- 6 A company received the bank statement dated 30 June 2016 showing a credit balance of \$6890. The cash book on this date had a debit balance of \$7234. The following was discovered.

Bank charges of \$54 have not been entered in the cash book.

Suppliers have not banked cheques of \$200.

Deposits of \$490 made to the bank on 30 June 2016 have not been shown on the bank statement.

What is the value of bank in the statement of financial position?

- A** \$6600 **B** \$6654 **C** \$7126 **D** \$7180