

- 5 A depreciated non-current asset is revalued upwards.

What is the effect of this on the statement of financial position?

- A Non-current assets increase, equity decreases.
- B Non-current assets increase, equity increases.
- C Non-current assets increase, retained earnings decrease.
- D Non-current assets increase, retained earnings increase.

- 6 The following information is available in respect of a non-current asset.

	\$
purchase price	160 000
accumulated depreciation at the date of disposal	100 000
sale proceeds	65 000
market value at the date of disposal	68 000

What is the profit or loss on disposal?

- A \$5000 profit
- B \$8000 profit
- C \$92 000 loss
- D \$95 000 loss

- 7 Peter, a credit customer of John, settles his account of \$200. He pays by cheque and receives a cash discount of 5%.

Which entries are made in John's books of account to record this transaction?

	account to be debited	\$	account to be credited	\$
<b>A</b>	bank discount allowed	190 10	Peter	200
<b>B</b>	bank discount received	190 10	Peter	200
<b>C</b>	Peter	200	bank discount allowed	190 10
<b>D</b>	Peter	200	bank discount received	190 10