

- 1 Which item should be treated as capital expenditure?
- A the cost of a printer for an existing computer system
  - B repair costs to a car which are not covered by insurance
  - C rent paid on a factory, whilst the company negotiated the purchase of the factory
  - D the replacement of a wooden fence with a new fence

- 2 The accounting year end of a business is 31 October.

On 1 April the business rents out part of its warehouse for an annual rent of \$6000 receivable in equal instalments on 1 April, 1 July, 1 October and 1 January.

At 31 October what would the final accounts show?

	Profit and Loss Account \$		Balance Sheet \$	
<b>A</b>	rental income	3500	current asset	1000
<b>B</b>	rental income	3500	current liability	1000
<b>C</b>	rental income	4500	current liability	1000
<b>D</b>	rental income	6000	current asset	1500

- 3 The following information is taken from the stationery account of a business.

	\$
stock of stationery at beginning of the year	600
cash paid for stationery during the year	7000
invoice not yet received for stationery	480
stock of stationery at end of year	800

How much should be debited to the Profit and Loss Account for stationery?

- A** \$6680      **B** \$6800      **C** \$7280      **D** \$8080