

- 4 A business has a year end of 31 December.

It purchased a motor vehicle on 1 January 2017 for \$15 000. The motor vehicle was sold on 31 March 2019 for \$8000.

Depreciation is calculated at 20% per annum using the reducing balance method on a month by month basis.

What is the accumulated depreciation and profit/loss on disposal of the motor vehicle?

	accumulated depreciation \$	profit/loss on disposal \$
A	5400	1600 loss
B	5400	1600 profit
C	5880	1120 loss
D	5880	1120 profit

- 5 A trial balance does not balance and a suspense account is opened.

Later the following errors are found and the suspense account is cleared.

- 1 A sales invoice for \$1240 had been completely omitted from the books.
- 2 Purchases had been entered as \$85 600. The correct amount should have been \$87 580.
- 3 Rent paid of \$2600 was entered correctly in the cash book but as \$6200 in the rent account.

What was the original balance on the suspense account?

- A** \$1620 credit
- B** \$1620 debit
- C** \$5580 credit
- D** \$5580 debit

- 6 A sales ledger control account included the following entries.

- 1 contra with the purchases ledger control account \$500, debit
- 2 discount allowed \$600, debit
- 3 irrecoverable debts written off \$1200, debit

Which entries must be corrected?

- A** 1 and 2 only **B** 1 and 3 only **C** 1, 2 and 3 **D** 2 and 3 only