

- 1 A business receives a \$50 000 deposit from a customer for a product which is to be delivered after the end of the financial year.

How should this be shown in the statement of financial position at the year end?

- A current assets
- B current liabilities
- C non-current assets
- D non-current liabilities

- 2 Derek places advertisements in monthly magazines.

In September 2014 Derek paid \$900 for advertisements to appear in the October 2014 to March 2015 editions of one magazine.

In December 2014 he paid a further \$880 for advertisements to appear in the January 2015 to April 2015 editions of another magazine.

Which amount was shown for advertisements under other receivables in Derek's statement of financial position at 31 January 2015?

- A \$520 B \$820 C \$960 D \$1260

- 3 A business prepared its draft financial statements. It was later discovered that an adjustment for prepaid rent was required.

What is the effect of this adjustment?

	expenses	current assets
A	decrease	decrease
B	decrease	increase
C	increase	decrease
D	increase	increase

- 4 A trader purchased fixtures and fittings on credit from a supplier. These were faulty and were returned to the supplier.

Which entry in the trader's books of account recorded the return?

	account to debit	account to credit
A	fixtures and fittings	supplier
B	purchases returns	fixtures and fittings
C	supplier	fixtures and fittings
D	supplier	purchases returns