

- 8 The amount of the expense for rent and rates recorded in the income statement for the year ended 31 December 2021 was \$76 230.

The following information was also available.

	balance brought forward 1 January 2021 \$	balance carried forward 31 December 2021 \$
rent accrued	4000	6500
rates prepaid	770	820

How much was paid from the bank account for rent and rates during the year ended 31 December 2021?

- A** \$73 680      **B** \$73 780      **C** \$78 680      **D** \$78 780

- 9 Which statements regarding the financial statements of a sole trader are correct?

- 1 Cash drawings for the year are recorded in the income statement.
- 2 Gross profit for the year is shown in the statement of financial position.
- 3 Prepayments only appear in the income statement.
- 4 Trade receivables appear in the statement of financial position.

- A** 1 and 2      **B** 2 and 3      **C** 3 and 4      **D** 4 only

- 10 A business provided the following information regarding its first year of trading.

	\$
credit sales	93 730
receipts from credit customers	76 500
irrecoverable debt written off	150
contra recorded between purchases ledger and sales ledger	80

The net trade receivables recorded in the statement of financial position at the end of the year were \$16 660.

What was the balance on the provision for doubtful debts account at the end of the year?

- A** \$340      **B** \$490      **C** \$500      **D** \$650