

- 9 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	purchases returns
B	fixtures and fittings	supplier
C	purchases returns	fixtures and fittings
D	supplier	fixtures and fittings

- 10 A sole trader provided the following information.

	\$
sales	200 000
opening inventory	50 000
closing inventory	75 000
gross margin	25%

What were the purchases for the year?

- A \$125 000 B \$150 000 C \$175 000 D \$185 000
- 11 Which item would **not** appear in the financial statements of a sole trader?
- A bank overdraft
B dividends paid
C interest received
D loss on disposal of machinery
- 12 L and M are partners sharing profits and losses equally. This year M's share of the profit is \$18 000.

Next year they plan to change the partnership agreement so that L has an annual salary of \$10 000 and a one-third share of any profits or losses.

What does the total partnership profit for next year need to be for M to receive the same amount of profit as this year?

- A \$22 000 B \$34 000 C \$37 000 D \$42 000