

- 1 When a businessman introduces capital into his business, the transaction is debited in the cash book and credited to his capital account.

Of which accounting concept is this an example?

- A business entity
- B going concern
- C matching
- D prudence

- 2 Which are examples of the accounting equation?

- 1 capital + assets = liabilities
- 2 capital = assets + liabilities
- 3 capital = assets – liabilities

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

- 3 Amitav purchased a van costing \$20 000. He provided an old van with a net book value of \$8000 in part exchange. There was a profit on disposal of \$1500.

What was the cash outflow arising from the purchase?

- A \$9500      B \$10 500      C \$12 000      D \$13 500

- 4 The net book value of a company's non-current assets was as follows.

	\$
at 1 January 2016	100 000
at 31 December 2016	80 000

During 2016 assets were sold for \$20 000, realising a profit on disposal of \$5000.

Depreciation charged for 2016 was \$8000.

What was the expenditure on new assets in 2016?

- A \$3000      B \$5000      C \$8000      D \$15 000