

- 1 The journal entry 'Debit Subscription Income, Credit Creditors' was made in the accounting records of a club.

What does this represent?

- A subscriptions owed by members
 - B subscriptions received by cheque
 - C subscriptions received in advance
 - D subscriptions refunded to members
- 2 A business starts trading on 1 May 2011.

The table shows rent paid on the premises.

date	period	\$
2 May 2011	1 May – 30 Jun	1 000
3 Jul 2011	1 Jul – 30 Sep	1 500
2 Oct 2011	1 Oct – 31 Dec	1 500
4 Jan 2012	1 Jan – 31 Mar	1 560
1 Apr 2012	1 Apr – 30 Jun	1 560

Which figure should be shown in the financial statements for prepaid rent on 30 April 2012?

- A \$520 B \$1 000 C \$1 040 D \$1 560
- 3 Which asset is often revalued in a business's accounts?
- A buildings
 - B inventory
 - C IT equipment
 - D trade receivables
- 4 The principle of prudence in the preparation of financial statements is practised through the application of which action?
- A create additional reserves
 - B exclude unpaid credit sales
 - C overstate the liabilities
 - D provide for anticipated losses