

16 Details of a company's inventory are shown in the table.

	inventory item		
	X \$	Y \$	Z \$
cost	500	600	800
selling expenses	100	200	300
sales value	700	700	700

Which figure for inventory should be shown in the accounts?

- A** \$1400 **B** \$1700 **C** \$1800 **D** \$1900

17 A business was started on 1 January. The purchases and sales of inventory for January were:

date	purchases	sales
4 January	3 @ \$200	–
13 January	–	2 @ \$400
26 January	3 @ \$250	–
28 January	–	2 @ \$400

The business used the first in first out (FIFO) method of inventory valuation.

What was the gross profit for January?

- A** \$250 **B** \$650 **C** \$700 **D** \$750

18 A business purchased a machine for \$10 000 at the beginning of year 1.

The machine was depreciated using the reducing balance method at 30 % per year.

The business sold the machine after the end of year 2 for \$5000.

What was the profit or loss on disposal of the machine?

- A** \$100 loss **B** \$100 profit **C** \$1000 loss **D** \$1000 profit