

- 1 A company decided not to capitalise the purchase of a stapler for use in its office.

Which accounting concept was the company applying?

- A consistency
- B duality
- C materiality
- D prudence

- 2 A trader had the following transactions in March 2017.

	\$
cash sales for the month	6 900
credit sales invoiced in March	46 200
credit sales in March not yet invoiced	800
customer orders received on 31 March	1 200
goods sent to a customer on 1 March on sale or return	1 400

What is the amount of revenue to appear in the income statement for March 2017?

- A \$53 100 B \$53 900 C \$54 500 D \$55 700

- 3 Which statements explain why depreciation might be charged on a non-current asset?

- 1 An asset could be subject to obsolescence.
- 2 The actual future disposal proceeds could differ from the estimated residual scrap value.
- 3 The estimated future replacement cost could differ from the original purchase price.

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

- 4 A trader bought a machine on 1 January 2015. He depreciated it at the rate of 10% per annum using the straight-line method, and he sold it on 1 January 2017 for \$4000. The profit on disposal was \$200.

How much had the machine cost on 1 January 2015?

- A \$4560 B \$4750 C \$5040 D \$5250