

- 8 A trial balance showed a provision for doubtful debts as \$1350. Trade receivables were \$50 320 which included a debt of \$500 which was irrecoverable.

Which entry was required in the provision for doubtful debts account if the closing balance was to be 5% of trade receivables?

- A \$1141 credit
- B \$1141 debit
- C \$1166 credit
- D \$1166 debit

- 9 A business provides the following information.

	\$
revenue	140 000
opening inventory	22 000
closing inventory	24 500
purchases	120 000

Goods are sold at cost plus 25%.

The owner has taken goods for own use but has not recorded these as drawings.

What is the value of the goods taken for own use?

- A \$5500 B \$10 500 C \$12 500 D \$17 500

- 10 The draft financial statements of a business show a profit for the year of \$64 000 before taking account of the following:

- 1 the reduction of the provision for doubtful debts by \$300
- 2 the purchase of office stationery costing \$2400 which has not been entered in the books; only one-sixth of this stationery was used by the year end.

What is the corrected profit for the year?

- A \$61 900 B \$63 900 C \$64 100 D \$64 300