

- 1 Inventories are valued at the lower of cost and net realisable value in the statement of financial position.

Which accounting concept is being applied?

- A duality
- B historic cost
- C matching
- D prudence

- 2 Which statements describe ways in which the security of data can be ensured within a computerised accounting system?

- 1 avoiding the use of updates from the accounting software provider
- 2 frequent backing-up of all work entered into the accounting system
- 3 making sure that anti-virus protection is put in place
- 4 using a single password to allow access to the entire accounting system

- A 1 and 2      B 1 and 4      C 2 and 3      D 3 and 4

- 3 On 1 January, Ann owed Sam \$400. She paid the amount due on 6 January after deducting a 2% cash discount.

How did Ann record this?

	account debited	\$	account credited	\$
<b>A</b>	bank	392	Sam	400
	discount allowed	8		
<b>B</b>	bank	392	Sam	400
	discount received	8		
<b>C</b>	Sam	400	bank	392
			discount allowed	8
<b>D</b>	Sam	400	bank	392
			discount received	8