

- 10** A business makes a provision for doubtful debts of 4%. At 31 March 2021 the value of trade receivables after deducting the provision was \$153 600. For the year ended 31 March 2022, there was an increase of \$960 in the provision for doubtful debts.

What was the value of trade receivables at 31 March 2022 **after** deducting the provision for doubtful debts?

- A** \$161 000 **B** \$170 496 **C** \$176 640 **D** \$177 600

- 11** When preparing a sole trader's financial statements, no adjustment was made for a prepayment at the end of the year.

What is the effect of this omission?

- A** current assets overstated and owner's capital overstated
B current assets understated and owner's capital understated
C profit for the year overstated and trade payables understated
D profit for the year understated and trade payables understated

- 12** A sole trader has not kept proper accounting records for his first year of trading.

The following information is available.

	\$
cash from customers	70 000
trade receivables	4 000
cash paid to suppliers	65 000
trade payables	2 000
closing inventory	20 000
expenses paid	3 000

What was the profit for the year?

- A** \$24 000 **B** \$26 000 **C** \$27 000 **D** \$28 000