

- 4 At 30 June the balance sheet of a business includes the following.

	\$
trade receivables (debtors)	46 000
provision for doubtful debts 5 %	2 300

During July, sales of \$350 000 were made of which 20 % were in cash. Credit customers paid \$303 800 after deducting a 2 % cash discount.

How much did the trade receivables (debtors) owe to the business at 31 July?

- A** \$15 200      **B** \$16 000      **C** \$22 200      **D** \$76 000

- 5 Which error will **not** affect the trial balance?

- A** posting of \$3000 purchases to the debit of the motor vehicle account  
**B** posting of \$3000 purchases to the credit of the motor vehicle account  
**C** posting of \$3000 road tax refund to the debit of the motor vehicle account  
**D** posting of \$3000 sales to the debit of the motor vehicle account

- 6 Closing inventory (stock) has been overvalued.

What is the effect on the financial statements?

	net current assets	net profit
<b>A</b>	no effect	understated
<b>B</b>	overstated	no effect
<b>C</b>	overstated	overstated
<b>D</b>	understated	understated

- 7 The trade receivable (debtors) control account of Y shows a balance of \$14 320.

Customer X, who owes Y \$1000, has also supplied Y with \$400 of goods.

The supply of goods, \$400, is to be offset by Y.

What is the corrected trade receivable (debtors) control account balance?

- A** \$13 720      **B** \$13 920      **C** \$14 720      **D** \$14 920