

- 5 A trader prepares a disposal account. On which sides do the cost of the asset and sale proceeds appear?

	cost of the asset	sale proceeds
<b>A</b>	credit	credit
<b>B</b>	credit	debit
<b>C</b>	debit	credit
<b>D</b>	debit	debit

- 6 A trial balance at 30 June, before making end of year adjustments, showed the following.

	debit \$	credit \$
trade receivables	35 600	–
provision for doubtful debts	–	1 160

At 30 June, it was decided to write off a bad debt of \$1600 and to make a provision for doubtful debts equal to 2% of trade receivables.

What was the total decrease in the profit for the year ended 30 June arising from the bad and doubtful debts?

- A** \$680                      **B** \$1120                      **C** \$2080                      **D** \$2280