

- 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 The table shows extracts from the statements of financial position of a business.

	2014 \$	2015 \$
non-current assets (at cost)	190 000	245 000
less accumulated depreciation	75 000	90 000
net book value	115 000	155 000

Other information for the financial year 2015 is as follows.

	\$
depreciation charged	40 000
new non-current assets purchased (at cost)	105 000
loss on sale of non-current assets	10 000

Which amount was received from the sale of the non-current assets?

- A \$15 000 B \$25 000 C \$35 000 D \$50 000

- 3 What would be treated as part of the capital cost of the purchase of a building?

- 1 cost of purchase
- 2 insurance of the building
- 3 installation of air conditioning needed for the machinery in the building

- A 1 only B 1, 2 and 3 C 1 and 3 only D 2 and 3 only