

1 Which statement contains the correct accounting treatment for accrued income?

- A added to income and shown as a current asset
- B added to income and shown as a current liability
- C deducted from income and shown as a current asset
- D deducted from income and shown as a current liability

2 A trader made the following transactions.

	\$
cash withdrawn from bank for business use	200
cash banked	120

What was the total effect on ledger accounts?

	increase	\$	decrease	\$
A	bank account	80	cash account	80
B	bank account	320	cash account	320
C	cash account	80	bank account	80
D	cash account	320	bank account	320

3 Rent is paid by a business monthly in advance on the first day of each month. The payments during this financial year have been as follows.

up to and including 1 June \$500 per month
 from 1 July \$600 per month

Which amount(s) will appear in the financial statements for the year ended 31 October?

	income statement expense	statement of financial position
A	\$6400	\$600 other receivables
B	\$6400	\$600 other payables
C	\$6400	—
D	\$7000	—