

- 9 Hedley has 100 items of inventory in his warehouse and five more with a customer on a sale or return basis. He provides the following information.

	\$ per unit
historic cost paid	60
selling price	85
current replacement cost	65

Which value should appear in the statement of financial position for inventory?

- A** \$6000 **B** \$6300 **C** \$6825 **D** \$8500
- 10 A business does not keep complete accounting records. The following information is known for the year.

	\$
capital at start	52 000
capital at end	55 000
drawings	13 000
capital introduced	25 000

What is the profit or loss for the year?

- A** loss \$9000
B profit \$9000
C loss \$15 000
D profit \$15 000
- 11 A business has 500 items of inventory at a cost price of \$3 each. The selling price per unit is based on a mark-up of 20%. Before sale, the items need to be repaired at a total cost of \$400.

What is the net realisable value of the inventory?

- A** \$1400 **B** \$1475 **C** \$2200 **D** \$2275