

- 14** The following departmental accounts have been prepared for a limited company for the year ended 30 September 2013.

	department X \$	department Y \$
revenue	810 000	515 000
cost of sales	<u>470 000</u>	<u>265 000</u>
gross profit	340 000	250 000
overheads	<u>210 000</u>	<u>295 000</u>
profit/(loss) for the year	<u>130 000</u>	<u>(45 000)</u>

The following errors have been found.

- 1 Department X overheads include \$10 000 for the purchase of goods for resale of department X.
- 2 Revenue of \$40 000 has been credited to department X when it should have been credited to department Y.

What is the corrected profit for the year for department X?

- A** \$80 000 **B** \$90 000 **C** \$100 000 **D** \$170 000

- 15** A company has the following expenses for the year.

	\$
directors' salaries	140 000
depreciation of delivery vehicles	87 000
office salaries	90 000
loan interest	33 000
discounts allowed	12 000

What is the total of the administration overheads?

- A** \$242 000 **B** \$263 000 **C** \$329 000 **D** \$362 000

- 16** Which items appear in the manufacturing account of a business?

- 1 closing inventory of finished goods
- 2 closing inventory of work in progress
- 3 carriage inwards
- 4 carriage outwards

- A** 1 and 2 **B** 1 and 3 **C** 2 and 3 **D** 2 and 4