

- 1 A non-current liability has been included as a current liability.

What will be the effect when this is corrected?

- A increase net assets
 - B increase net current assets
 - C no effect on net current assets
 - D reduce net current assets
- 2 A business purchases a new van.

The table shows the purchase invoice details.

	\$
purchase price	13 000
delivery charge	500
sign writing	200
road tax	200
tank of fuel	50

How much should be debited to the motor van account?

- A \$13 500 B \$13 700 C \$13 900 D \$13 950
- 3 In preparing the financial statements, an accrual for rent payable was treated as a prepayment.
- What effect does this have on the profit and the current liabilities?

	profit	current liabilities
A	overstated	overstated
B	overstated	understated
C	understated	overstated
D	understated	understated