

- 4 At 30 June the balance sheet of a business includes the following.

	\$
trade receivables (debtors)	46 000
provision for doubtful debts 5 %	2 300

During July, sales of \$350 000 were made of which 20 % were in cash. Credit customers paid \$303 800 after deducting a 2 % cash discount.

How much did the trade receivables (debtors) owe to the business at 31 July?

- A** \$15 200 **B** \$16 000 **C** \$22 200 **D** \$76 000

- 5 Which error will **not** affect the trial balance?

- A** posting of \$3000 purchases to the debit of the motor vehicle account
B posting of \$3000 purchases to the credit of the motor vehicle account
C posting of \$3000 road tax refund to the debit of the motor vehicle account
D posting of \$3000 sales to the debit of the motor vehicle account

- 6 Closing inventory (stock) has been overvalued.

What is the effect on the financial statements?

	net current assets	net profit
A	no effect	understated
B	overstated	no effect
C	overstated	overstated
D	understated	understated

- 7 The trade receivable (debtors) control account of Y shows a balance of \$14 320.

Customer X, who owes Y \$1000, has also supplied Y with \$400 of goods.

The supply of goods, \$400, is to be offset by Y.

What is the corrected trade receivable (debtors) control account balance?

- A** \$13 720 **B** \$13 920 **C** \$14 720 **D** \$14 920