

- 1 The following information relates to a business for a period.

	\$
selling price per unit	100
variable costs per unit	60
total fixed costs	90 000
net profit	15 000

How many units were sold in the period?

- A** 1500                      **B** 1750                      **C** 2250                      **D** 2625

- 2 A customer paid a deposit in advance for goods to be supplied at a later date.

How should this be recorded in the seller's books?

	debit	credit
<b>A</b>	cash	customer
<b>B</b>	cash	sales
<b>C</b>	customer	prepayment
<b>D</b>	customer	sales

- 3 A trial balance at 30 April 2003, before making end of year adjustments, showed:

	debit \$	credit \$
Trade debtors	17 800	-
Provision for doubtful debts	-	580

At 30 April 2003 it was decided to write off a bad debt of \$800 and to make a provision for doubtful debts of 2 % of trade debtors. During the year an amount of \$200 was received from a customer relating to a debt that was written off in the year ended 30 April 2002.

What was the total bad and doubtful debts expense for the year ended 30 April 2003?

- A** \$360                      **B** \$560                      **C** \$940                      **D** \$1140