

- 15 The treasurer has provided the following information relating to a golf club's financial position at the year end.

	\$
cash at bank	2 500
non-current assets	120 000
prepaid expenses	80
inventory of refreshments	500
subscriptions in advance	50
subscriptions in arrears	100
unpaid bills	200

What is the accumulated fund at the year end?

- A** \$122 780 **B** \$122 930 **C** \$123 130 **D** \$123 180
- 16 A trader buys and sells garden fertiliser in 50 kilo units. Inventory at 1 July was 250 units valued at \$16 per unit. Purchases and sales during the month were as follows.

date		purchases (units)	sales (units)
3 July	sales		100
11 July	purchases (\$13 per unit)	200	
14 July	sales		200
25 July	purchases (\$14 per unit)	200	
29 July	sales		200

The FIFO method is used to value inventory.

What is the value of the closing inventory at 31 July?

- A** \$1950 **B** \$2100 **C** \$2400 **D** \$4000
- 17 Why is a provision for depreciation made in the financial statements?
- A** to charge the cost of non-current assets against profits
- B** to make a provision for repairs
- C** to make cash available to replace non-current assets when necessary
- D** to show the current market values of non-current assets