

- 1 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

- 2 Non current (fixed) assets of a company were:

	start of year \$	end of year \$
at cost	460 000	505 000
cumulative depreciation	215 000	237 000
net book value	245 000	268 000

During the year non current (fixed) assets costing \$92 000 were purchased and non current (fixed) assets with a net book value of \$16 000 were sold.

What was the depreciation charge for the year?

- A** \$22 000      **B** \$23 000      **C** \$53 000      **D** \$69 000

- 3 What does the application of the accounting principle of consistency ensure?

- A** that all losses are provided for  
**B** that assets are recorded at their actual cost  
**C** that financial statements are produced annually  
**D** that profits are calculated the same way each year