

- 5 A depreciated non-current asset is revalued upwards.

What is the effect of this on the statement of financial position?

- A Non-current assets increase, equity decreases.
- B Non-current assets increase, equity increases.
- C Non-current assets increase, retained earnings decrease.
- D Non-current assets increase, retained earnings increase.

- 6 The following information is available in respect of a non-current asset.

| | \$ |
|--|---------|
| purchase price | 160 000 |
| accumulated depreciation at the date of disposal | 100 000 |
| sale proceeds | 65 000 |
| market value at the date of disposal | 68 000 |

What is the profit or loss on disposal?

- A \$5000 profit
- B \$8000 profit
- C \$92 000 loss
- D \$95 000 loss

- 7 Peter, a credit customer of John, settles his account of \$200. He pays by cheque and receives a cash discount of 5%.

Which entries are made in John's books of account to record this transaction?

| | account to be debited | \$ | account to be credited | \$ |
|----------|---------------------------|-----------|---------------------------|-----------|
| A | bank discount allowed | 190 10 | Peter | 200 |
| B | bank discount received | 190 10 | Peter | 200 |
| C | Peter | 200 | bank discount allowed | 190 10 |
| D | Peter | 200 | bank discount received | 190 10 |