

- 1 Inventories are valued at the lower of cost and net realisable value in the statement of financial position.

Which accounting concept is being applied?

- A duality
- B historic cost
- C matching
- D prudence

- 2 Which statements describe ways in which the security of data can be ensured within a computerised accounting system?

- 1 avoiding the use of updates from the accounting software provider
- 2 frequent backing-up of all work entered into the accounting system
- 3 making sure that anti-virus protection is put in place
- 4 using a single password to allow access to the entire accounting system

- A 1 and 2 B 1 and 4 C 2 and 3 D 3 and 4

- 3 On 1 January, Ann owed Sam \$400. She paid the amount due on 6 January after deducting a 2% cash discount.

How did Ann record this?

| | account debited | \$ | account credited | \$ |
|----------|-------------------|-----|-------------------|-----|
| A | bank | 392 | Sam | 400 |
| | discount allowed | 8 | | |
| B | bank | 392 | Sam | 400 |
| | discount received | 8 | | |
| C | Sam | 400 | bank | 392 |
| | | | discount allowed | 8 |
| D | Sam | 400 | bank | 392 |
| | | | discount received | 8 |