- 8 One half of the 10% loan is repayable during the year ending 30 April 2012, and the balance is repayable after that date.
- 9 Depreciation is to be provided as follows:

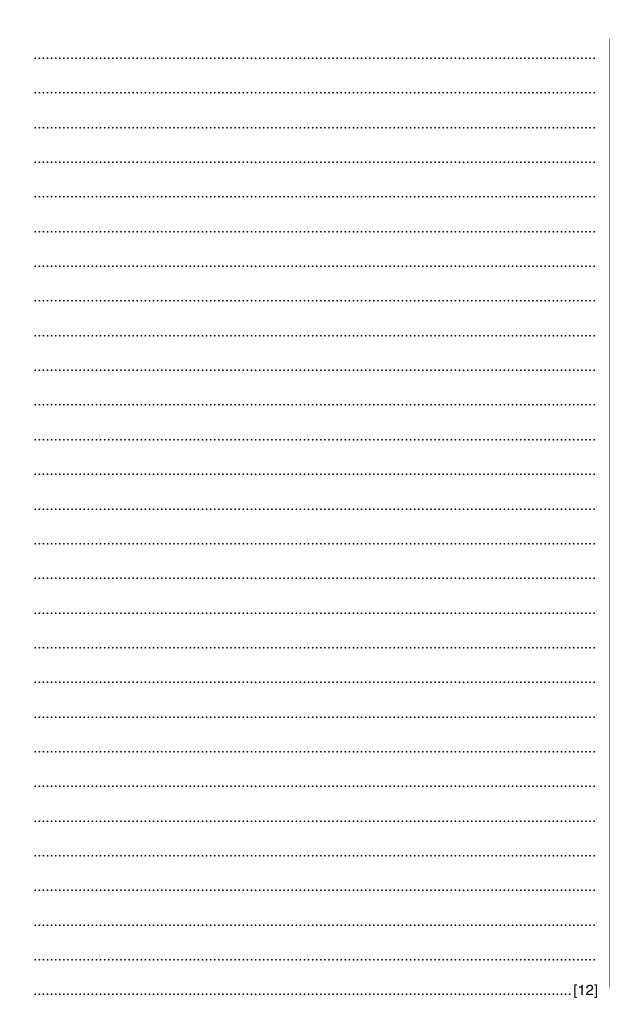
Equipment 10% per annum on cost.

A full year's depreciation is provided on all equipment held at 30 April 2011, regardless of the date of purchase.

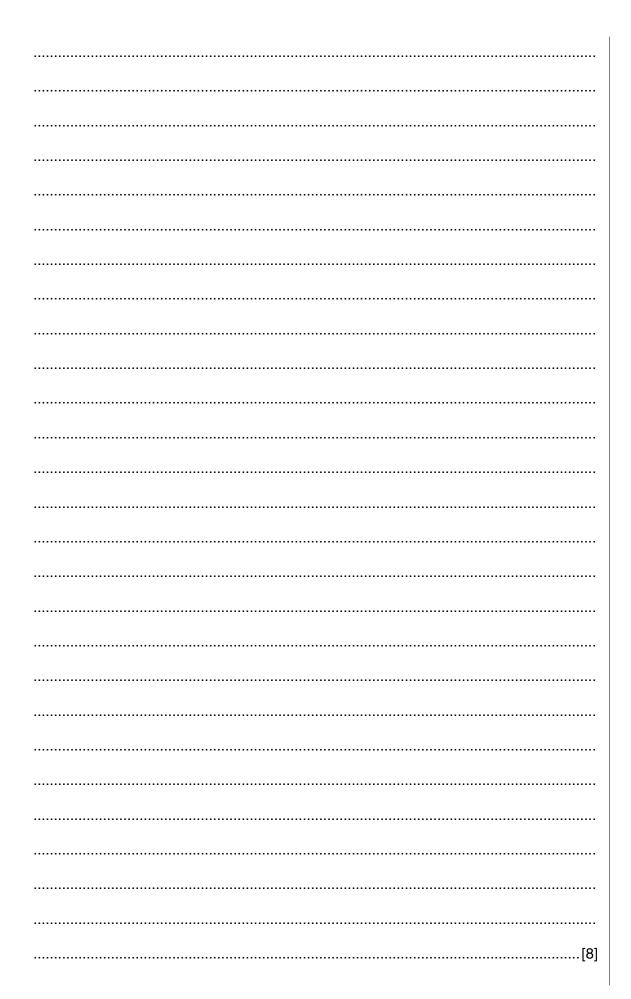
Motor vehicles 25% by the reducing (diminishing) balance method. There were no additions or disposals during the year.

REQUIRED

negoined		
(a)	Prepare the income statement (trading and profit and loss account) for Kirsty for the year ended 30 April 2011.	



(b)	Prepare the statement of financial position (balance sheet) for Kirsty at 30 April 2011.



During May 2011 Kirsty purchased new machinery with the following pricing details.

	\$
List price	60 000
10% trade discount	6000
Delivery costs	1 000
Installation costs	2 000

The machinery maintenance costs are estimated to be \$5000 per annum.

Kirsty plans to keep the machinery for 5 years and then dispose of it for an estimated residual value of \$4000.

REQUIRED		
(c)	Calculate the cost figure which should be used as the basis for depreciation.	
	[2	

	[2]
(d)	Calculate the annual depreciation charge using the straight line method.
	[2]
(e)	Prepare the Disposal of Machinery Account if the machinery is sold for \$12 000 at the end of four years.