

- 1 A trader has prepared financial statements which include unpaid wages to her employees.

Which accounting concept is being applied?

- A business entity
- B duality
- C matching
- D substance over form

- 2 On which basis will non-current assets be valued if the business is **not** a going concern?

- A net book value
- B original cost
- C the amount they could be sold for
- D the value placed on them by the owner

- 3 A business has a financial year end of 31 December.

It depreciates its machinery on a month-by-month basis. It uses the straight-line method at 10% per annum.

It bought a machine, cost \$12 000, on 1 January 2019 and sold it on 31 March 2020.

Which entries relating to this machine were made in the provision for depreciation of machinery account for the year ended 31 December 2020?

	debit side \$	credit side \$
A	300	1500
B	no entry	1200
C	1200	no entry
D	1500	300

- 4 A business purchased a non-current asset for \$500 000 with an expected life of 20 years. After that time it was expected to be sold for \$100 000. It was depreciated using the straight-line method.

The non-current asset was sold after 10 years for \$120 000 with selling costs of \$10 000.

What was the loss on disposal?

- A \$130 000 B \$140 000 C \$180 000 D \$190 000