

8 Which items will **not** appear on an income statement?

- 1 deposit received from a customer for a future delivery
- 2 interest paid to a supplier on an overdue account
- 3 inventory at the end of the financial period

A 1 and 2 **B** 1 only **C** 2 and 3 **D** 3 only

9 The following information is available at the end of the financial year of a sole trader.

| | \$ |
|--------------------------------|--------------|
| non-current assets | 41 000 |
| trade receivables | 12 500 |
| trade payables | 4 500 |
| bank | 3 900 credit |
| long-term bank loan (due 2025) | 6 000 |
| drawings | 2 500 |
| profit for the year | 4 200 |

What was the closing balance on the capital account?

A \$37 400 **B** \$39 100 **C** \$40 800 **D** \$46 900

10 A trader sends his staff on a training course costing \$100 per person. 10 staff attended in April and 4 in May. Half the total cost had to be paid at the start of April and the balance at the end of May.

Which entry for training was made in the statement of financial position on 30 April?

- A** \$300 accrual
B \$400 accrual
C \$600 prepayment
D \$700 prepayment

11 Joe is a sole trader. Which statement(s) relating to his business are **not** correct?

- 1 Joe can receive a bank loan for the business.
- 2 Joe's drawings are transferred to his capital account.
- 3 Joe's personal expenses are included in his income statement.

A 1 and 2 **B** 1 only **C** 2 and 3 **D** 3 only